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## THESIS

**SWEDEN AFTER THE COLD WAR:  
IMPLICATIONS FOR US REGIONAL STRATEGIES**

by

Jon A. Skinner

September 1993

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Sweden After the Cold War: The Implications of Security  
Policy Changes for U.S. Regional Strategies

by

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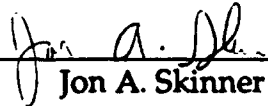
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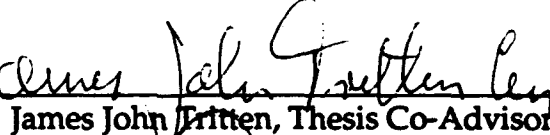
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## ABSTRACT

In support of US regional strategy requirements this thesis focuses on Sweden. The change in Sweden's neutrality policy, coupled with an increased defence budget, are the two most apparent developments. Less visible are changes in Swedish defence doctrine, missions and capability. This thesis will attempt to predict the **degree** and **character** of Sweden's move toward integration into broader security arrangements and identify the relevant implications. Further, this thesis contends that the two developments of that are shaping Swedish security policy in new directions are the **end of the Cold War and Sweden's integration into the European Community (EC)**. In the short term, this implies for Sweden a security policy more closely paralleled with US objectives. In the long term what has been largely a bilateral Swedish-US strategic relationship will be engulfed in larger US-European questions. Within an integrated Europe, Sweden will be in a grouping of European states the most favorable to US policy.

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## EXECUTIVE SUMMARY

The two overriding and inter-related developments that are shaping changes in Swedish security policy are the end of the Cold War and Sweden's integration into the European Community (EC). However, large segments of the Swedish population continue to associate the traditional "neutrality" policy with their cultural identity. All the major parties feel the need to at least pay "lip service" to this traditional policy until Sweden is safely integrated into the EC.

The move away from neutrality while still prohibiting formal military alliances, allows for a looser interpretation of ad hoc military cooperation in the sense that **foreign policy** no longer has to heed the declaratory non-alignment criteria. What can dramatically change this trend towards greater cooperation with the West is the rise of a resurgent reactionary regime in Moscow.

When reading Swedish literature it is important to note that the term "security policy" is often used --- not to refer to traditional defense policy --- but to such things as refugees, crime and environmental degradation. The drive for formal change in Sweden's declaratory security policy is the need to facilitate Sweden's acceptance and subsequent integration in the EC. This will not change if the Social Democrats regain power.

**Long term** concern with Russian military capabilities



will remain a **permanent** fixture of Swedish security policy. **In all scenarios the strategic and environmental nuclear threats on the Kola Peninsula will remain.** It will remain is in Sweden's national interest for a viable US strategic presence in the North Atlantic. Fostering economic and political stability in the former Soviet Union, particularly in the Baltic states, is a "security" objective. The Baltic security **threat** is perceived in terms of the already developing massive influx of refugees, viewed as a crisis, particularly in lieu of a Sweden's very high unemployment rate.

Sweden has much to offer for any US forces operating in the Baltic littoral region. However, a direct Swedish **military** contribution in a Baltic contingency, such as a Russian attack on one of the newly independent Baltic states, would not be compatible with current security policy.

The current impetus for increase in the defense budget has been the long delayed need to modernize, particularly the Army --- not strategic change. Paradoxically, as American and Swedish relations have improved, the likelihood of Sweden's reliance on American systems, in the long term, appears to have diminished and closer cooperation with European industry more likely.

Sweden is not being driven into 'Europe' by the changed strategic environment and the regional stability following

the Soviet collapse. Rather, it is more accurate to characterize Sweden's policy shift as one primarily motivated by economic necessity, enabled by the Soviet collapse. Sweden is no longer "neutral" but will retain many of the distinctive characteristics associated with its traditional policy and Nordic identity. Membership in NATO is not a near term reality. Membership in the Western European Union (WEU) offers few benefits. Swedish participation in joint operations in conjunction with regional exercises and UN or Conference on Security and Cooperation in Europe (CSCE) missions, will be more frequent. Limited Nordic defense cooperation is progressing but will not proceed to a degree which could interfere with Sweden's EC membership.

In the long term Sweden's membership in the EC will facilitate greater integration with the European defense industry and security structures. This European integration portends greater cooperation within Europe than bilateral links across the Atlantic. Such a development will impact overall Swedish-US relations, which will become, part of the larger US-European question. In this "European" context Sweden is likely to be amongst the group **within** the EC most favorable to continued US engagement on the continent. This pro-US attitude will best serve Sweden's long term interests and will likely remain constant with changes in government.

## I. INTRODUCTION

The end of the Cold War has changed US strategy, and more specifically, how strategic planners and intelligence professionals "function" in support of that new strategy. The constant theme following the collapse of our superpower rival has been the adjusting of our national strategy to a multi-polar environment. This is explicitly stated in *The National Security Strategy of the United States*. The most significant impact of this evolving national strategy on the US Navy is the ~~new~~ emphasis on regional contingency operations in littoral regions. As summarized by Colin Powell, Chairman of the Joint Chief of Staff (CJCS), "Because of the changes in the strategic environment, the threats we expect to face are regional rather than global." [Ref. 1:p. 11] The US Navy and Marine Corps have set forth the principal elements and priorities with which to guide strategic and operational planning to support this new regional focus in the Naval Service Doctrinal White Paper, "...From the Sea," September 1992. Implementation of this concept requires, "...the ability to orchestrate the appropriate response and to send precisely tailored, diplomatic, economic, and military signals to influence the actions of adversaries." [Ref. 2:p. 5] In his "Posture Statement," 3 May 1993, Rear Admiral Edward D. Sheafer, Jr.,

Director of Naval Intelligence (DNI), stresses that "...it is likely that there will be increasing manifestations of short-term, less clearly-defined coalitions, built around often transient threats to common interests rather than formal alliance structures." [Ref. 3:p. 9] Such was the case in the recent Gulf War. But as Colonel Dennis M. Drew and Dr. Donald M. Snow emphasize in their book *Making Strategy*, "...the United States and its allies may have different political objectives or hidden political agendas that result in divergent military objectives." [Ref. 4:p. 95]

In attempting to contribute to currently evolving requirements in regional contingency planning, this thesis will focus on Sweden. Many of the assumptions which guided Sweden's security policy have also collapsed with the Cold War. As the capabilities of the former Soviet Baltic fleet continues to decline Sweden's **relative** significance as an actor in the Baltic will likely **increase**, as will Germany's. Sweden is both a particular challenge and relevant for regional planning. There is an obvious potential for a political, economic and/or environmental crisis in the Baltic states of the former Soviet Union in which Sweden will likely be a significant actor. Additionally, the current relevance of Sweden to US planning is demonstrated by US-Swedish operations in the field in Macedonia (under United Nations (UN) auspices) as well as the recent (June

1993) first time participation by Sweden in a US Baltic Sea naval exercise (BALTOPS 93) [Ref. 5]. Rather than a "country study," it is hoped the key aspects of Swedish strategic/security thinking, capability and policy, which have **direct** ramifications for US regional planning scenarios, can be identified.

Throughout the Cold War, though the strongest Nordic state, Sweden remained outside of any formal military alliance and maintained a declaratory policy of "neutrality" in a war between NATO and the Warsaw Pact. In the post-Cold War environment a great deal of these "traditional" tenets of Swedish foreign and security policy has changed. Both the global and regional strategic balance has been altered by the Soviet collapse, but not to the same degree, particularly from the perspective of the Nordic states [Ref. 6:p. 4]. Some of these changes are intuitive, a great many are not.

A further complication for US planners focused on the Baltic region, Northern Europe, or potential coalition operations which include Sweden, has been established by Dr. Paul M. Cole, currently at the Rand Corporation, in his exhaustive detailed and controversial (in Sweden) 1990 doctoral dissertation for The Johns Hopkins University, *Neutralite' du jour: The conduct of Swedish security policy since 1945*: "...Sweden's security policy has consisted of three separate parts: A declaratory policy, an operational

policy that consistently contradicts the declared policy, and a misconception of the role of the United States in the defense of Sweden." [Ref. 7:p. 1]

But what is currently most striking is that Sweden's **declaratory** neutrality policy **has** changed. Both the Prime Minister Carl Bildt and the Defense Minister Anders BJORCK, have stated that the old policy of neutrality is gone; that Sweden is aware of the security implications of its request to join the European Economic Community (EC); and further, will not shy away from those ramifications. Stated the Defense Minister in an address in Tokyo on 23 November 1992:

As a member of the European Union, Sweden will participate fully in the common security and foreign policy which was laid down in the Maastricht Treaty... A "policy of neutrality" is no longer a suitable designation for the policy Sweden wants to pursue. It would be unwise if Sweden excluded itself from future security policy options. Today, Sweden's security policy may be said to stand on two pillars; a foreign policy with a European identity and independent forces. [Ref. 8:p. 9]

This change in Sweden's neutrality policy, coupled with an increased defense budget (at a time when no other Northern European nation has a similar increase) are the most apparent developments of interest for US strategic planners. Significantly however, much of the current academic and professional discussion in Sweden regarding such relevant issues as future military alliances, participation in limited purpose coalitions, threat perceptions, arms control, confidence and security building measures (CSBMs), as well as the very meaning of the terms

**security, non-alignment and neutrality**, are heavily nuanced in rhetoric targeted for very different domestic and international audiences. Developments less visible but also of specific interest to military planners as well as operators are changes in Swedish defense doctrine, missions and capability, cooperative military exchanges, potential for inter-operability and intelligence sharing in a regional scenario. This thesis will attempt to "crack the code" and predict the **degree** and qualitative **character** of Sweden's move toward integration into broader security arrangements and identify the relevant implications to US interests. Further, this thesis contends that the two recent overriding and inter-related developments of great long term strategic significance that are shaping Swedish security policy in new directions are the **end of the Cold War and Sweden's integration into the European Community (EC)**. This thesis will argue, that in the short term, these two developments imply for Sweden a security policy more closely paralleled with US regional and international security objectives which will allow for greater bilateral military cooperation. In the long term, primarily economic factors, will draw what has been largely a bilateral Swedish-US strategic relationship, into the larger US-Europe question; but within an integrated Europe --- for strategic reasons that are unlikely to change --- this thesis argues that Sweden will be in a grouping of European states the most favorable to US

policy. Section II provides a background on Sweden's strategic culture; section III summarizes the changes in Swedish strategic perceptions; section IV examines the likely longevity of non-alignment and the role international and regional organizations are likely to play in Swedish security policy; section V focuses on the correlation between the Swedish defense budget and security objectives; section VI the impact of European integration on the Swedish arms industry; section VII the modernization of Swedish forces; and section VIII, the potential for direct Swedish military cooperation with the US.



## II. SWEDEN'S STRATEGIC CULTURE

### A. NEUTRALITY

What is geo-politically significant for Sweden is that global strategic changes now allow her to pursue closer ties with the continent, at a time when it is increasingly more vital for her economic health, while also allowing for a **low visible** impact on her traditional **neutrality** policy. This policy of neutrality was developed by the long ruling Social Democratic party, and has grown to be an essentially moral issue within the party [Ref. 9]. While the Moderates, now in power, have pursued a "European policy" for forty years, they do not have the domestic political base to disregard the Social Democrats, particularly on security issues. Historically, the Social Democrats have gained domestic popularity at Moderate and Conservative party expense on contested security matters [Ref. 10]. Writes Paul Cole, "...the Swedish Social Democratic Party [SAP] has used the nation's security policy since 1945 to assert its dominance in domestic politics." [Ref. 7:p. 513] This is particularly relevant in light of the fact that the Social Democrats are confident, and according to national polls taken in May 1993, in a strong position to regain power in the elections expected early in 1994 [Ref. 11].

Paul Cole holds the view that the current Commission on the Policy of Neutrality is an attempt to destroy neutrality as a barrier to European Community (EC) integration without

destroying the reputation of assassinated Prime Minister Olof Palme [Ref. 10]. Another aspect of the Social Democratic position on the Commission is perhaps that they are seeking to establish that they did indeed adhere to Sweden's declaratory neutrality policy when they were in power [Ref. 12]. The Commission was initiated by the Riksdag in September 1992 to investigate covert security ties with the West before 1969. The cut off year of 1969 was supposedly chosen as the defined end of the "Cold War," but is also the year Palme and the Social Democrats regained power [Ref. 10]. This is disputed by Pierre Schori, a former Under Secretary of State for the Palme Government, Member of Parliament, and current international affairs spokesman for the Social Democratic Party. In an interview on June of 1993, Schori denied that this Commission was a Social Democratic initiative [Ref. 13]. Bo Petersson, press spokesman for the Commission, attributes the basic motivation to public interest:

I believe that the basic reason for the establishment of the commission I am involved in was quite simply public interest. The Swedish policy of neutrality had in the post-war period developed into a sacrosanctum, or at least into something which came very close to being an end in itself rather than, as was originally intended, a means to the end of promoting national security and well being. Once this policy was put into question, it was quite natural that public opinion took an interest in the ensuing debate. For me personally, it is hard to discern any political actor or collective of actors that would stand to benefit specifically from the establishment of the commission. [Ref. 14]

Two former ambassadors, Sverker Astrom and Leif Leifland have also been tasked with a study to ascertain how Swedish policy of neutrality would be affected by membership in the EC [Ref. 14].

The significant point for US regional planners is that neutrality has been a charged domestic political issue for years, particularly since the early 1980s, and still lingers. Revelations that members of the current Government sanctioned cooperation with NATO or that the Social Democrats deliberately "appeased" the Soviet Union have been frequent in the press. Writes Paul Cole:

After the Social Democrats returned to power in 1982 the foreign policy scene in Sweden lurched from one political scandal to the next. The Ferm, Bildt, Bahr, and Bodstrom affairs divide the security policy debate along party lines. The nonsocialist opposition attempted to discredit the government (then Social Democratic) by raising the possibility of a systematic, pro-Soviet bias within the Social Democratic Party leadership. The Social Democrats fought back by alleging that the opposition would not stop until Sweden's "traditional" security policy had been completely undermined....

Palme's goal was to make the opposition appear to be against neutrality and somehow un-swedish. [Ref. 7:pp. 494-95]

Prime Minister Bildt was heavily involved in the security debate in the 1980s:

Those who called for tougher diplomatic responses against the Soviet Union and a greater emphasis on the role of force in the resolution of the Soviet submarine campaign were led by the Moderate Party, with defense spokesman and Submarine Commission member Carl Bildt in the forefront. [Ref. 7:p. 496]

What is not in dispute, is that a significant segment of the Swedish population associate the traditional

"neutrality" policy, whether real or a rhetorical illusion, as part of their cultural identity. All the major parties feel the need to at least pay "lip service" to this traditional policy, particularly until Sweden is safely integrated into the EC. Though the elites in the Moderate lead Government as well as the Social Democratic opposition agree on the need for EC membership, both fear a "no" vote in the EC referendum scheduled for early 1994. A poll taken in May of 1993 by Statistics Sweden indicated only a 28.2% favorable vote, 42.5% negative and 28.1% undecided [Ref. 15]. In fact, polls indicate that the majority of members within the Social Democratic Party are opposed to the EC despite the pro-EC position of their leaders. The Left (former Communist Party), Green, Centre, and New Democrats in particular also have significant grassroot opposition [Ref. 13]. Much of this anti-EC sentiment can be attributed to fear among Swedes, evident in past EC referendums of the Danes and Norwegians as well, that their "nordic" identity will become lost in a union with the much larger continent. Underlining this fear is a desire to remain distant from all the "European problems" of crime, refugees, etc.. What is significant, and verified by Schori, is that it is not in the interest of the major parties to raise the security implications of EC membership into a political debate, particularly before the EC referendum. Dr. Ingemar Dorfer, a Harvard-trained and respected conservative writer on

Swedish defense matters, currently serving in the Foreign Ministry, and close to the Prime Minister, stated succinctly in a June 1993 interview that, "Policy makers in and out of government do not want to discuss security issues until after the referendum." [Ref. 16].

The move away from neutrality articulated by the government still retains the proviso of no participation in military alliances during peacetime. Prime Minister Bildt has left open military cooperation with the UN and the Conference on Security and Cooperation in Europe (CSCE). The government has also had security cooperation talks with the Finns. While closing ranks with the Government and reaching a consensus on the 1992-95 Defense Bill, Social Democratic Foreign Policy Spokesman, Pierre Schori, made the caveat of no military cooperation within an alliance a special point of emphasis [Ref. 17]. Importantly, there have also been recent, subtle changes to the official **definition of neutrality**. The 1991-92 description of security policy as declared by the Riksdag, in the official English version published by the Defense Staff Information Department under the heading of "The Aims of Sweden's Security Policy" states that:

The security policy is based on the balance between foreign policy and defense policy. The main feature of the security policy is the policy of neutrality aiming at non-alignment in peacetime and neutrality in war.  
[Ref. 18:p. 2]

This was changed in the 1992-93 edition:

Military non-alignment is the basis of our security policy resulting in an obligation to maintain adequate military capability to remain neutral in case of war in our part of the world. We cannot rely on anyone but ourselves to defend Sweden!

The security policy is based on the balance between foreign policy and defense policy. [Ref. 19:p. 2]

Though perhaps somewhat obscure, the 1992-93 description is considered a step away from traditional neutrality in that it does not imply the need for a neutral "foreign policy." Additionally the newer text adds the word "military" to non-alignment. This change is considered significant by defense professionals. While still prohibiting formal military alliances, the new definition allows for a looser interpretation of ad hoc military cooperation in the sense that foreign policy no longer has to heed the declaratory non-alignment criteria, i.e., allowing for bilateral exchanges, exercise participation etc. A similar change is discernable in Finnish security policy. [Ref. 20] [Ref. 21]

**However, what can dramatically change this trend towards greater cooperation with the West** in security matters is a change in Sweden's strategic environment; namely, the rise of a resurgent reactionary regime in Moscow. A return to a regional strategic situation similar to the East-West bipolar standoff of the Cold War could cause a major shakeup in Swedish strategic thinking and security policy. The real key to predicting how this development will affect Sweden's

security policy, in particular the move away from the traditional tenets of "neutrality," is **when** this occurred. In an interview with Ingemar Dorfer at the Foreign Ministry, he expressed the view that the seizure of power by a reactionary government in Russia will probably accelerate Sweden's integration into Europe and into European security systems **if it occurred several years hence after the process of integration has been institutionalized.** If such a strategic threat arose from the East currently, especially before the EC referendum, there would be very strong domestic political pressure to withdraw back to a more isolationist policy. [Ref. 16]

#### **B. VARIED MEANINGS OF SECURITY**

When reading Swedish literature discussing security matters, it is important to note that terms such as "security policy" can have a much broader meaning than the general American usage. **It is important to note that the term "security policy" is often used --- not to refer to traditional defense policy --- but to such things as refugees, crime and environmental degradation** [Ref. 22]. This can be seen in that efforts to build-up the Baltic states, politically and economically, as a component of Swedish security policy. A Swedish "forward presence" by non-lethal means [Ref. 5]. Such a distinction becomes significant when interpreting official statements, particularly in regards to recent public recognition of the

security implications of EC membership. For example, in a speech in Paris on 4 June 1992 by Defense Minister Anders Bjorck at the Western European Union (WEU), he recognizes and accepts in Sweden's application for EC membership a common "security policy," while explicitly making this acceptance distinct from a common "defense policy":

The EC is developing in the direction for a European Union, with a common security and foreign policy, and possibly a common defense policy at some point in the future.

Our application for membership of the EC is an expression of the fact that we share the Community's long-term objectives, as formulated in the Treaty of Rome and the Single Act, and that Sweden will work for the realization of these objectives together with other member states. As a member of the European Union, Sweden will participate fully in a common security and foreign policy, as established in the Maastricht Agreement in the autumn of 1991. [Ref. 23:pp. 6-7]

The point in the future which the Defense Minister is referring to, is 1996, when a decision on a common "defense policy" is scheduled to be made by an EC Ministerial decision. Sweden is due to enter the EC in 1995. It is in the Defense Minister's interest, his government's, as well as the Social Democrats in opposition, not to pursue the distinction between defense and security until that time [Ref. 24]. Such a debate could jeopardize the EC referendum vote. Additionally, there is generally a consensus on security and defense matters at the policy implementation level in Sweden. **This was confirmed by Schori, remarking that "the real difference is only the nuance."** [Ref. 13]



But it is also worth noting, that if the Social Democrats do return to power, the rhetoric of this difference in nuance on "collective security" differs sharply from the ruling governments, with the weight heavy on the non-military, non-traditional aspects. Bo Petersson characterizes this distinction, "...the government tends to focus more on European, and above all, EC affairs, whereas the Social Democrats traditionally have retained a more universal outlook." [Ref. 14] In his contribution to a report from the Olof Palme International Center, Schori outlines the roots of the continuing Social Democratic security vision:

Against the policy of confrontation and the arms race pursued by the threatmongers in the nuclear age, Olof Palme and his colleagues...launched the concept of Common Security. It was a fairly simple concept; saying that continued armaments would only lead to greater insecurity, and in the end to disaster. Therefore, in the nuclear age, you have to sit down with your opponent, and discuss disarmament in balanced and mutual forms. Security could never be achieved in confrontation with your opponent, only together with him.

The political and military right reacted violently to this view.

In 1992, even our Swedish prime minister, Carl Bildt, praises Common Security. It took him ten years to make a complete turnaround from having viewed Common Security as giving in to communism, to saying Common Security is a vision for us all. [Ref. 25:pp. 10-11]

Schori, also addresses another internal security debate: "In a situation where all the Nordic countries become members of the EEC [EC], we should not form a rigid Nordic bloc...." [Ref. 25:p. 13] Then, after identifying the new

regional dangers of chaos in the Baltic, he goes on to make an appeal for the status quo on security matters, in effect, diffusing Sweden's explicit move away from neutrality, "...to fundamentally change Sweden's security policy, especially a policy which has been so successful in contributing to peace in our region, would increase insecurity in Europe." [Ref. 25:p. 15]

What Schori is doing in one essay is addressing all three of the concurrent security themes currently debated in Sweden. And all three are for different audiences. Reassurances that Sweden will incorporate a common European foreign and security policy is affirmed to ease international doubts and facilitate Sweden's acceptance into the EC. Though obviously much different in nuance, the Defense Minister's address also confronts this issue and is similar in **substance** if very different in **rhetoric**. Domestic political fears of losing Sweden's Nordic identity and a move away from neutrality are addressed by emphasizing the non-military aspects of security policy and reaffirming the status quo on military non-alignment. Schori must address anti-EC sentiment even within his own party (the women's branch of the Party on the Left, in particular). The Defense Minister's explicit distinction between a common defense and a common security policy, is similar in substance to Schori, and is also meant to alleviate a backlash from the electorate. [Ref. 24]

Schori's last quote which opposes a Nordic Block within the EC is somewhat more obscure and will be discussed in more detail in a later section. Briefly, Sweden's senior military officer, the Supreme Commander, Bengt Gustafsson, remarked that the Nordic states could not rely on Europe for their defense and should form a block within the EC to secure the permanence of the "Atlantic" (i.e., US) defense link. He was mildly rebuked by the Defense Minister and lambasted by Social Democrats, such as Schori, to whom such a link, especially explicitly stated, is an anathema. [Ref. 26]

### C. "OPERATIVE" VS "DECLARATORY" POLICY

The Center for Naval Analysis (CNA) study, *Multinational Naval Cooperation Options with the North Atlantic Countries*, December 1992, by Gary L. Geipel, makes a sharp distinction between the pro-US views of the current government and the more traditional, essentially Social Democratic Party legacy which held a **much less** positive view of US security objectives. For example, he concludes, "The current Bildt administration is unusually pro-American, and a change in Sweden's governing coalition almost certainly would make naval cooperation with the United States more unlikely [Ref. 27:p. 45]. This is probably a valid conclusion, but perhaps overstated. But the danger or likelihood that a new Social Democratic lead Government will significantly reverse course on the move away from neutrality is low. **The strategic**

**environment itself has undergone great change, not just governments.** Though significantly less interested in making major changes in "traditional" security policy than the current government, if they regain power the Social Democrats are unlikely to spend political capital on security issues one way or the other [Ref. 13]. They voted for the increase in defense expenditure (the 1992-97 Defense Bill) with the Government (this consensus has since broken down and the defense budget increase has been reduced) and have championed financing an expanded role for Swedish peacekeeping-enforcing forces. [Ref. 13] [Ref. 17]

The real drive for formal change in Sweden's declaratory security policy is the need to facilitate Sweden's acceptance and subsequent integration in the EC. **This will not change if the Social Democrats regain power,** unless perhaps, there is massive grassroot dissension within the Party. In fact, Schori himself remarked that there is the potential for a Social Democratic Government to have greater ease than the current Government in guiding the electorate into the EC as it has been less identified in the past with a "European Policy," and explicitly acknowledged the "Nixon-China" parallel [Ref. 13]. Though a big leap, and one not openly discussed, such a domestic political parallel might also be relevant for any future move into a formal military alliance.

The subtle change in neutrality to nonalignment in peace with the hope of remaining neutral in war was first articulated on February 1 1992 by the Prime Minister Bildt, in Paris before the EC Ministers --- the day formal EC negotiations began [Ref. 24]. The Social Democrats themselves initiated the move to membership in the EC, largely in response to the precipitous rise in interest rates and fiscal crisis of 1987 [Ref. 12].

However, a more contentious line of reasoning argues that little will likely change in Swedish security policy with a Social Democratic government, except perhaps budgeting priority for defense needs, for they have supported an operative pro-Western policy all along. Historical cooperation with the West has received much press in the early 1990s, and has itself become a domestic political issue. Paul Cole made extensive use of US and British archives for his dissertation on this issue and was attacked in the press, particularly from leading Social Democrats, such as Ambassador Sverker Astrom, who long carried the torch of Foreign Minister Uden's neutrality legacy, and who were in power for the preponderance of the years in question [Ref. 10]. The following excerpt is a good sampling of Cole's major point:

During the 1950s Sweden developed an operational security relationship with various NATO nations which accounts for the fact that in Sweden during the postwar years the rhetoric of isolationism is found side-by-side with the diplomacy of cooperation. This gradually became the rhetoric of nonalignment which has coincided with a

policy of political-military cooperation with NATO countries. Sweden made a clear effort in its public diplomacy to oppose the United States on many important issues while secretly working to coordinate its security policy with NATO interests. Sweden has made many agreements and compromises with the United States and other NATO countries that consistently contradict the public rhetoric of isolationism and nonalignment. [Ref. 7:p. 12]

Interestingly, the response of many military officers and government officials to the revelations by Cole and others is on the order of, "What is the big deal?...It is natural for Sweden to look after Swedish interests." The implication here for US regional and strategic planners is that it may be necessary to penetrate Swedish rhetoric, to an unusually demanding degree, to ascertain Swedish intentions and objectives. A good guideline would be to begin by identifying what directly supports Sweden's national interest in any given scenario. Much of the subterfuge is dictated by domestic politics, and not necessarily of a sinister nature. However, the need to use such traditional rhetoric as a **foreign policy** tool has obviously diminished with the collapse of the bi-polar world regime. The conjecture that Swedish security will be much more straight forward in the future appears to be born out by recent writings and is supported by the openness of the interviews obtained for this thesis. However, the use of the rhetoric of neutrality for a singularly **domestic** political agenda has not dissipated. "Neutrality" will

likely remain a significant political issue, particularly as the EC referendum vote approaches.

#### **D. LEGALISTIC APPROACHES TO SECURITY ISSUES**

##### **1. Historical Roots**

Sweden has a history of emphasizing legal issues to achieve security objectives, particularly in maritime matters, dating back to her days as the dominant Baltic power under Charles XII, "For hundreds of years Sweden has sought to foster its interests by influencing the maritime legal framework." [Ref. 28:p. 168] Initially, during the 1700s, making the Baltic a **mare clausum**, a Swedish lake, was the objective. This shifted with the relative decline in Swedish power to a **mare liberum** policy, which continues to this day. The significant point is that the traditional Swedish emphasis on legal issues furthered her strategic objectives. During the 1970s, however, other aspects, such as disarmament, "...has become an issue, often with its own momentum." [Ref. 28:p. 168] Nonetheless, there remains a linkage between Swedish disarmament policies and "...more directly interest-driven policies." [Ref. 28:p. 168]

Naval arms control and disarmament, by the early 1980s had progressed to become a highly politicized issue in Sweden. Particularly within the Social Democratic party, large segments viewed disarmament, especially nuclear disarmament, as a detached goal. This vocal group "tends to view disarmament as an end itself, as it were, divorced from

the strategic considerations usually associated with the concept of arms control." [Ref. 28:p. 169] The UN was the main forum for pursuing these policies in the 1980s. But what makes these Swedish disarmament policies, championed internationally, hard to reconcile historically with Swedish strategic objectives and security policy, is that they were **not** universally accepted within the Swedish defense establishment. Politically powerful disarmament proponents "co-existed with more hard-nosed pragmatists." [Ref. 28:p. 169]

## **2. Naval Arms Control**

In the recent past, heavy Swedish diplomatic effort in the international arms control arena, appeared to a large degree, to be independent of an equal concern for verification of agreement compliance. Continuing to exasperate the Swedes, Russian submarines continued to violate Swedish internal and territorial waters as late as mid 1992 [Ref. 5]. (The Swedish government has authorized force to be used against foreign submarines within their internal waters for ten years but have failed to make a successful prosecution. A significant number of these violations have been within Sweden's coastal archipelago, i.e., central Stockholm --- inside the territorial base line. [Ref. 29:p. 80]) Writes Johan Tunberger, Director of Studies, and Robert Dalsjo, Senior Research Associate, of Sweden's National Defense Research Establishment (FOA):



Somewhat paradoxically, Sweden's activity in the naval arms control arena and related issues increased in the same period, apparently unaffected by the submarine intrusions. Traditionally, questions concerning the freedom of action of naval forces have been the domain of the specialists in international law. In the 1980s Sweden became a more active proponent of naval arms control, primarily within the United Nations, a tendency motivated by a desire to keep all the concerned parties talking to each other. [Ref. 28:p. 158]

Recent writings from FOA emphasize, however, the importance of CSBMs which **diverge** from the "legalistic" approach to arms control, particularly for naval arms control. They view naval arms control measures as not emendable to the inspections and verifications of the variety used in Conventional Forces in Europe (CFE) and the Strategic Arms Reduction Treaty (START) for example. Tunberger and Dalsjo emphasize the necessity of keeping the arms control efforts focused on the strategic equation, which implies a limit on the worth and effectiveness of regional agreements, such as those confined to the Baltic or Nordic area:

We therefore, submit that any serious evaluation of the impact of naval developments, including naval arms control, must be carried out bearing in mind the effects of air power on the Nordic area and the surrounding maritime regions. As a consequence security issues in the Baltic region cannot be divorced analytically from those of the wider Nordic area [Ref. 28:p. 159].

The delineation of the Baltic region for specific arms control measures was long a Soviet goal, and one resisted by Sweden. Continue Tunberger and Dalsjo, Soviet

media articles in the early 1980s frequently admonished Sweden:

...for not being friendly to the Soviet Union and not doing more in the field of disarmament---specifically, dropping the condition that the Baltic Sea must be included in a [broader] Nordic nuclear weapon free zone (NWFZ). On the other had, the Swedish Government was often praised in somewhat patronizing fashion for good behavior in the arms control field in general. [Ref. 28:p. 164]

The failure to induce Western nations to agree to naval arms control measures induced Sweden to champion multilateral Incidents at Sea Agreements. This multilateral approach is "in line with the traditional credo of Swedish disarmament policy, namely that disarmament should be multilateral and not decided over the heads of smaller states." [Ref. 28:p. 171] However, Sweden has ben willing to adopt bilateral agreements when expedient.

### **3. Nuclear Issues**

Domestic political **restraints** have persisted in the formation of nuclear security policy in all the Nordic nations and were developed earlier than similar sentiments in Central Europe. Writes Professor Nils Andren, a long noted writer on Nordic security issues, currently at the Swedish Institute for International Affairs:

Nuclear issues play and have played an important role in all four major Nordic countries. In the late 1950s Sweden seemed to be moving into the role of a minor nuclear power, when strong movements both inside and outside the established party structure forced the politicians...to think twice...gradually leading to an almost universal acceptance of the present nonnuclear defense. [Ref. 30:p. 93]

Most Western scholars agree that Sweden enjoyed de facto protection from Soviet nuclear blackmail by the US nuclear guarantee to her NATO Nordic neighbors. Though Sweden has long had the technological base to build nuclear weapons, such an option would be as politically feasible today in Sweden as the reintroduction of slavery.

The late 1970s again brought focus to nuclear aspects of security policy in domestic politics, as well as nuclear safety issues distinct from security policy [Ref. 31:p. 153]. However, attention has been diverted in recent years from concern with its own domestic nuclear power industry to the much graver danger of nuclear disaster next door from the former Soviet Union. There is also an awareness within and out of government that Sweden, particularly in a time of severe economic troubles, can not do without its existing nuclear power infrastructure [Ref. 22].

Sweden has been active internationally in attempts to establish a nuclear non-proliferation regime, and in concert with the US, Australia and Canada has gone beyond basic requirements of controlling the export of nuclear material and development technology by prohibiting such exports to nations that have not placed all facilities under International Atomic Energy Agency (IAEA) oversight [Ref. 32: p. 299]. Sweden has also recently been active in international efforts to assist states in the former Soviet

Union, with an explicitly declared concentration of effort in the Baltic states, to improve nuclear safety practices. Of special priority has been assistance in improving the safety standards at the Lithuanian Ignalina nuclear power plant [Ref. 33]. An expert committee tasked by the government to recommend policy on nuclear and proliferation issues suggested support for former Soviet republics seeking to reduce nuclear weapons on their territory, assistance for Swedish experts attempting to improve safety in nuclear power plants (particularly in the Baltic, Belarus and adjacent Russian region), support for IAEA attempts to prevent the transfer of fissionable material, and the promotion of a broader international concept of security [Ref. 34].

Concern for the environmental effects from the crumbling nuclear infrastructure of the former Soviet Union, particularly in the Baltic states and Poland, is in fact viewed as a "security" threat. The government has appropriated \$41 million for assistance in environmental improvements to the Baltic states [Ref. 35]. The Swedes along with the Finns and Norwegians are well aware of there geographical proximity to the Kola Peninsula and the high probability that the Kola will become the world's biggest radio-active scrap heap. Schori emphasizes the need for an international co-operative framework for approaching the pending ecological disaster on the Kola Peninsula:

On the Kola Peninsula we have the largest concentration of nuclear reactors in the world with between 200 and 250 reactors on civilian and military ships and four reactors on land. Here we also find enormous amounts of radioactive fuel and waste, and several thousands nuclear warheads and missiles....

All this means a disaster for nature and man, and it also means a ticking ecological bomb for all of us in Northern Europe. By herself Russia cannot tackle these problems. [Ref. 25:p. 18]

Another aspect of Swedish views on nuclear issues is the rise in "criminality" in the Baltic states and Russia, and the potential there for criminal "warlords" to obtain nuclear weapons amidst the political and economic chaos. During interviews there appeared little awareness or interest in the potential for the Bush Administrations global protection against limited strike (GPALS) proposal or the tactical ballistic missile defense (TBMD) capability the US Navy could provide in the Baltic in the event of such a crisis.

The Nordic nuclear free weapon zone (NFWZ) was first proposed by the Soviets in 1958 and was a direct response to NATO deployment of intermediate range ballistic missiles (IRBMs) in Britain [Ref. 36:p. 270]. The proposal was ultimately rejected but surveys in late 1984 showed that majorities in all five Nordic parliaments as well as their respective populations approved of the NFWZ concept.

Sweden attempted to link the NFWZ issue to arms control in a broader European context in the late 1970s. A 1983 speech by Prime Minister Palme voiced some continued support, but proposed that all weapons capable of targeting

nations in the zone also be eliminated, thus linking the NWFZ to intermediate nuclear force (INF) negotiations [Ref. 37:p. 7]. A formal NFWZ in Scandinavia was especially attractive to the Soviets in that such a treaty would provide the strategic bonus of fueling pacifist sentiment in Central Europe [Ref. 38:p. 74]. The US has always opposed the NWFZ because it would restrict strategically significant naval operations by, "prohibiting the presence, port call and transit of ships and aircraft carrying nuclear weapons [Ref. 39:p. 1]. The initiative remains fundamentally flawed by Russian refusal to accept **attenuation** of the zone to her own territory.

The establishment of the NWFZ still remains unlikely, though it also remains unlikely to disappear in domestic politics. The proposal is still viewed as useful by a large constituency in the Nordic Parliaments in terms of furthering arms control dialogue in general. It is also now being recast under the influence of "Green" movements within the Baltic states as proposals to denuclearize the Baltic [Ref. 40:p. 63]. But it is significant to note that amongst most defense thinkers, the NWFZ is a dead issue. Due to the collapse of the Baltic fleet's nuclear capability and because of the US and Russian policies for the "...removal of non-strategic nuclear weapons from ships has transmogrified the NWFZ issue from impossible to virtually irrelevant." [Ref. 41:p. 24]

#### **4. Current Thinking on Arms Control**

The Swedes have long contributed significantly to research and writing on arms control and confidence and security building measures (CSBMs). However, recent emphasis on CSBMs, particularly from defense researchers, has a much different meaning. In an interview in June of 1993 with Royal Swedsh Navy Captain Lars Wedin of the Joint Defense Staff (JDS) (the highest echelon of four defense staffs), who is the advisor to the JDS on CSCE and Disarmament, CSBMs are seen as a way to cooperate with the West through military exchanges without creating an unwanted and possibly destructive domestic political backlash [Ref. 21]. In a January 1993 FOA pre-paper, written jointly by Dalsjo, Tunberger and Wedin, the three conclude that "utopian" arms control approaches are a dead issue:

In sum, naval arms control must be studied on its own conditions - in light of strategic and environmental trends and facts. The traditional approach which stressed structural disarmament and navalized CSBMs should be dismissed from the agenda. Instead, a broader perspective on arms control should be taken, where the basic characteristics of navies form the point of departure. [Ref. 41:p. 36]

A May 1993 FOA pre-print paper by Dalsjo, Tunberger and Hans Zettermark, FOA analyst for European Security Studies, warns that a naval arms control accord be reached between Russia and the Western maritime nations that hampers naval access and flexibility it could threaten NATO security guarantees to Denmark and Norway (and by strategic extension, threaten Sweden). "Equally important , it could

also foster a perception that the Nordic states belonged in a 'legitimate' Russian sphere of influence." [Ref. 42:p. 16]

Margaretha af Ugglas, Sweden's Foreign Minister and current Chairperson of the CSCE, articulated a policy of continueing to work within the UN and CSCE with a priority on "arms control" rather than "disarmarment" and greater weight attached to Sweden's identity as a "European" state than as a non-aligned state [Ref. 32].

The real point **now**,, if not explicit in formal literature, in the continued Swedish defense discussion among military professionals of arms control measures such as CBSMs through international organizations such as the CSCE, the UN and Council of Europe, is that they provide a mechanism for the Swedish defense community to participate and demonstrate a useful contribution to global, but primarily, European security, while still remaining outside of a formal alliance. There has been a "cultural revolution" beginning in 1991 in the training of Swedish officers, which is now reflected in *Officer 2000*, a training manual that stresses the need for language skills and at least one tour abroad for promotion to senior rank. The CSCE Vienna Document 1992 emphasis on military exchanges has given force to this movement. This requirement is a dramatic departure for what has traditionally been a relatively insular officer corps. [Ref. 21]



### **III. STRATEGIC PERCEPTIONS**

#### **A. COLD WAR OVERVIEW**

Interviews with Swedish Defense analysts at FOA and with military officers on the Joint Staff and The Armed Forces Staff and War College indicate general concurrence with the common US view of the strategic significance of the Nordic states during the Cold War years. In summary, dating from the Murmansk supply run of World War II, the Northern axis was significant for US and Soviet planners, but until the late 1970s and early 1980s, the focus of confrontation was Central Europe [Ref. 43:p. 1]. At that time the significance of the Arctic and North West TVD (NWTVD) appears to have increased in Soviet strategic planning for several reasons. The buildup on the Kola peninsula of the Soviet strategic ballistic missile nuclear submarine (SSBN) fleet and supporting infrastructure directly enhanced the value of the region for Soviet nuclear war fighting. The strategic significance of the Northern Flank can only have been further accentuated to the Soviet General Staff by the US Maritime strategy of the 1980s [Ref. 44:p. 23]. A summary of this view is provided by Dr. Gordon McCormick of the Naval Postgraduate School in a January 1990 RAND paper:

Failure to control both northern Norway and the western Baltic Sea could seriously endanger Soviet war plans in any future war in Europe, severely restriction Soviet military options...and opening up the possibility of allied flanking operation against Soviet lines of reinforcement and supply in central Europe. Although these considerations have always been sources of concern

It seems plausible that military considerations were the most important at the beginning of the submarine incidents, and that political motives played a bigger role as the military rationale for the incursions diminished, and as the political impact of the incursions (in Sweden) was found to be favorable...a policy (Soviet) aiming at a change of Sweden's (and the region's) policies in the direction of greater dependency on the USSR and less of an emphasis on deterrence....

The USSR hopes (by the submarine campaign) to attain both an increased ability to execute a surprise attack on Sweden in case of war, and a Swedish security policy that is more in tune with Soviet regional ambitions. [Ref. 47:p. 47].

### **1. The Principle of Marginality**

Swedish security has traditionally stressed the concept of **marginality**, that is that a militarily strong Sweden capable of defending her borders in all directions will be able to avoid involvement in a great power war. This concept holds that an aggressor would only have minimal forces to devote to Sweden because of a much greater engagement in other theaters, and therefore, would be discouraged by Sweden's strong regional capabilities. A corollary of "marginality" is rigid adherence to Sweden's nonalignment and neutrality policy to reassure this aggressor (historically clearly the Soviet Union) that Sweden's territory could not be used by any state involved in the conflict for an advantage [Ref. 5:p. 22]. Though during the eighties there were some statements from the Social Democratic government about the need to shoot down US cruise missiles launched from the Norwegian Sea enroute the Soviet Union in the event of war, there has been little apparent effort by the military to develop such an intercept

capability. Discussions with military officers did not explicitly confirm this, but left the impression that such statements were largely a rhetorical exercise. In any event, Sweden's Air Early Warning (AEW) assets are conspicuously located along her Eastern borders [Ref. 48:p. 23]. In 1990 former US Ambassador to Sweden, Rodney-Kennedy-Minott, writes in *Lonely Path to Follow*:

Sweden quite properly shies away from any allegations that it serves as an auxiliary for NATO. This a charge that the Soviets have leveled on occasion. In fact, from a NATO perspective, a well-armed but non-aligned Sweden provides a well defended back door to NATO's Northwestern flank. [Ref. 49:p. 14]

But it was probably natural in Sweden for many to overestimate their "strategic" significance to the super powers. Dr. Bo Huld t, at the Swedish Institute of International Affairs (SIIA), identifies supports this point, "The Nordic countries...tend to exaggerate the degree to which they play a central role in superpower policies." [Ref. 50:p. 15] The preponderance of literature arising from Moscow after the break up of the Soviet Union indicates that despite somewhat extraordinary Swedish efforts over the decades to distance themselves diplomatically from the US -- - the Soviet Union always considered Sweden a NATO ally and planned accordingly. In the November 10, 1990 *Dagens Nyheter* article, "We Reckoned Sweden as Part of the West," Serge Morgatjov, General USSR retired and a specialist on Swedish and Nordic security policy, confirms that the Soviets were well aware of bilateral US-Swedish security

agreements, as well as similar Swedish agreements with West Germany, Norway, France, Denmark, Canada, and other neutrals. The following are excerpts of some of Morgatjov's main points:

I am not surprised that there is a certain amount of military cooperation between Sweden and the USA. What does surprise me...is the fact that it is reported as news!...

Is this sort of cooperation compatible with Swedish 'non-alignment policy?' My answer to this is: It doesn't conflict with it since Swedish neutrality concept - neither in actual fact nor in official interpretation - was ever designed in terms of symmetry of relations between blocs.

A sadly ironical factor in Sweden's post-war relations with the Soviet Union is that even if her military bloc relations had been absolutely sterile, Soviet military circles would nevertheless have regarded Sweden's military capacity as part of that of the West...

I hope I don not disappoint FRA personnel if I state that their cooperation with the USA did not make much difference at the European level. It did not create any special additional military threat to the Soviet Union. [Ref. 51:pp. 20-21]

Alexi Arbatov, the current Russian Head of the Department of Disarmament of the Institute of World Economic and International Relations (IMEMO), expresses a similar view, that the General Staff of the Soviet Army and Navy "...had an extremely bipolar concept of the strategic environment." [Ref. 52:p. 46] Force deployments to the Northern Flank by US forces in support of NATO allies were viewed as the:

... forward echelon of an offensive US military presence directed against the USSR.

...whenever assessing the balance of forces, the Soviet Ministry of Defense always treated the forces of US allies on an equal basis with US units.

Soviet military thinking did not make clear-cut distinctions between conventional and nuclear war fighting, or theatre and strategic global warfare. [Ref. 52:pp. 46-47]

## **B. PLANNING SCENARIOS**

### **1. Evolutionary Change**

The classic Swedish military planning scenario for decades after World War II was to be able to discourage a Soviet amphibious attack on Swedish territory in an attempt to seize the Danish straits and a land corridor to Northern Norwegian air bases. Such an attack was anticipated in conjunction with the a Warsaw Pact - NATO confrontation. This scenario gradually gave way to the realization of Swedish vulnerability to a **coup de main** style surprise attack. Ingemar Dorfer, writing in 1989, details the challenges to the traditional scenario in during the final few years of the Cold War:

Recent Soviet naval developments have focused attention on northern Europe and increased the tension in the area..., the classic Swedish defense doctrine of marginality - it is not marginally wise for the Soviet Union to devote its scarce military resources to attacking Sweden as well as NATO - is thereby effectively challenged.

The naval threat in the Baltic conforms more closely to traditional Swedish scenarios. Since in a war the major mission of the Baltic Fleet will be to seize the Danish Straits, Swedish territory very likely will be violated. The other possible strategic mission - to seize air bases and harbors in Norway and Western Sweden - coincides with the classic Swedish threat scenario of a Soviet invasion across the Baltic against a mobilized Swedish Army of 30 brigades and a navy and air force on full alert. The new elements here would be the swiftness

and power of Soviet surprise attack coupled with the use of *Spetznaz* and diversionary forces to secure key areas. [Ref. 53:p. 201]

## **2. Current Thinking...Revolutionary Change?**

The collapse of the Soviet Union carried with it the demise of much of the above scenarios. However, though the capabilities of the now Russian Northern and particularly Baltic Fleet have declined precipitously, Russia is, and is likely to continue to be the preponderant military force in the region. It is the **political** not military changes in the region that have been the most dramatic. Independence of the Baltic states, as well as Poland's release from the defunct Warsaw Pact has contributed to creation a new and still unstable regional climate. The old Soviet Baltic Military District has been abolished but Russian forces remain in the now sovereign Baltic republics, though there is a schedule for their removal [Ref. 54:p. 64].

Russian concerns over the inevitable rise of Swedish, and particularly German influence in the Baltic will likely impact the formation of new Russian strategic concepts [Ref. 55:p. 63]. Though there is a general European perception, also held by many in Sweden, that the Russian threat is declining regionally as it recedes globally, there is a counter view in Sweden and Norway, coined the "**sausage theory**", that the strategic significance of the Nordic region actually is increasing for the Russians, as there military complexes on the Kola Peninsula

(particularly the strategic ballistic nuclear submarines (SSBNs) of the Northern Fleet) shoulders relatively more of Russian strategic capabilities [Ref. 6:p. 2]. Additionally, this significance is likely to be further enhanced if current indications are correct and "the major portion, or all, of the remaining Russian strategic submarines will be based in the Northern Fleet." [Ref. 6:p. 3] A corollary of this theory is that as Russian capability to project military power declines overall, they may be more likely to project it where they retain a favorable correlation of forces, i.e., the North Flank. States Prime Minister Bildt in his introduction to the 1992 Government Defense Policy Bill:

Seen in this background it is essential that Swedish security policy should include a long-term scenario in which, in the first place, Russia wishes to apply major security interests in our vicinity with renewed energy. A Russia of this nature would probably be in a relatively weak position in a general European perspective...(but) would have very considerable military potential at its disposal in our immediate vicinity. [Ref. 56:p. 20]

Such a potential is particularly threatening to Sweden in light of the unstable internal Russian political and economic condition and potential reactionary Russian action to protect Russian ethnic minorities in the Baltic states. Interestingly, the Scandinavian "sausage theory" bears a marked resemblance to the old British view that the Imperial Russia was most likely to expand in Central Asia when the balance of power thwarted its ambitions in Europe [Ref. 57:p. 162].

Defense Minister Bjork further substantiates continued concern over Russian capabilities, which as a result of Conventional Forces in Europe Treaty (CFE), have at least in raw numbers of high value platforms, recently increased. He also establishes the point that a "weakened Russia" could actually pose an even greater threat in the Baltic region:

The Kola Peninsula is a central factor in Russia's defense....In a war situation we can assume that the Russians may try to establish a protected zone to the west of their borders which, as we know, is where Sweden and certain other countries happen to be situated....

The greater part (of) offensive air strike forces of the former Soviet Union are still based in western Russia....In fact the number of high-quality heavy and medium-heavy fighter-bombers in our vicinity has actually increased somewhat. [Ref. 58:pp. 10-11]

However, belief in the validity of the **sausage theory** is not universal in Sweden. Schori down played the theory and expressed little concern over residual Russian military capability in the short term. Schori's also holds the view that the threat of surprise attack, acknowledging a longtime tenet of Swedish security policy, has gone [Ref. 13]. On this matter, the threat of a theater level surprise attack, Schori varies little from the official Government view. States Prime Minister Bildt in his introduction to the 1991-92 Defense Bill, "The Soviet Union has ceased to exist as a unified state as has its military capacity for a massive surprise attack on Western Europe." [Ref. 56:p. 2]



But long term concern with Russian military capabilities will remain a **permanent** fixture of Swedish Security policy. Prime Minister Bildt elaborates:

...the military strategic situation in North Western Europe and the surrounding sea area remains broadly unchanged. Despite the possibility of significant quantitative reductions, strategic nuclear weapons continue to fulfill their ultimate function as far as the United States and Russia are concerned. For this and other reasons, major naval strategic interests have their intersection in our vicinity. Russia's strategic air defense interests to the north west are also probably of a permanent nature. [Ref. 56:p. 2]

Threats from the East are not only viewed in terms of military attack. Informal discussions with Swedish defense professionals indicated that long term strategic planning focuses on three possible scenarios for the future of the Russian Republic: (1) continued gradual move to a free market economy and democratic institutions; (2) economic chaos and a resultant rise in criminal "warlords," possibly with nuclear weapons and; (3) a reactionary takeover. **In all three scenarios the strategic and environmental nuclear threats on the Kola Peninsula will remain.** The possibility of the latter two negative scenarios has effected security policy in the sense that fostering economic and political stability in the former Soviet Union, particularly in the Baltic states, is considered a "security" objective. Additionally, force planning is considering budgeting options to develop a better intercept capability to meet a potential "flood of

refugees" from the East. In this sense, the \$41 million allocated in 1992 for aid to refugees is viewed as furthering "security" objectives [Ref. 59]. [Ref. 5]

### **3. Theater Studies**

Major Marco Smedberg (a Royal Swedish Army Reserve Officer and independent consultant on ground force tactics and doctrine), Robert Dalsjo and Hans Zettermark's in a FOA pre-print, "The Effects of CFE on Capabilities to Wage War in the North," of May 1993, outlines three speculative scenarios for future Russian offensive operations in the Nordic region. The most significant assumptions of these scenarios is that NATO still exists, CFE reductions have been implemented, the Kaliningrad Oblast is still a significant Russian base, Russian troops have been withdrawn from the Baltics, Russian forces are smaller but more effective, the Baltic states have their own territorial forces, and the Nordic defense forces are similar but smaller than those now existing. [Ref. 60:p. 21]

In **Case 1** the Russians attempt a rapid seizure of the Baltic states and Sweden's Gotland island to either create a defensive zone during a crisis with the West or an attempt for international or domestic reasons to demonstrate strength by reestablishing some of the old order. Deception, **speed** and **surprise** would be key to securing Gotland to create a *fait accompli*. Extensive use would be

made of electronic warfare and airborne or airmobile elements. [Ref. 60:p. 21]

In a discussion with Hans Zeetermark and Robert Dalsjo both expressed deep and sincere concern that the West's failure to provide a united and vigorous response to Serbian aggression in the former Yugoslavia was a very dangerous precedent; particularly in that it sent the wrong signal to the wrong people in Moscow [Ref. 12]. This concern is evident in a citation from this first Baltic scenario as well as outlining a key role for the US in Swedish security:

The reaction of "third parties" could thus be a critical factor in this type of operation. If the West's feeble attempts in Yugoslavia were to set the tone for the future, an aggressive regime in Moscow might not take the risk of active intervention very seriously. However, political conditions can change rapidly and a deployment of western - especially US - aircraft to air bases in Sweden could upset the strategic calculus...its execution as well as its aims. [Ref. 60:p. 23]

For the success of this particular scenario, the Kaliningrad enclave is critical for a rapid assault on Gotland and a Russian - Balarus alliance would significantly improve Russian capabilities to quickly move substantial forces into the Baltic states. [Ref. 60:p. 23]

The objective of **Case 2** is a *Coup de Main* on Stockholm with limited forces to paralyze the country and preempt effective Swedish resistance. A Russian success in this operation would alter the entire strategic calculus of Northern Europe. Control of Swedish air bases would allow

the Russians to strike the United Kingdom and the continent, neutralize Norway and interdict sea lines of communication (SLOCs) in the North Atlantic. Only limited troops would be used, "The lack of numbers and of 'heaviness' can partly be made up for by unconventional means - such as *spetznaz*, sleeping agents and Trojan horses, and by the use of cruise missiles, PGMs and air support." [Ref. 60:p. 24] Surprise being critical, such an attack would have to occur **before** a move into the Baltic states to forestall Swedish mobilization. Furthermore, the Russians might seek to reduce the risk of war with the US and its allies would be to make it clear that only Sweden, still not supported by any military alliance, is the target of attack. This scenario would seek to exploit the fact that there are virtually no active units in the Swedish army. The Navy and Air Force, which do have active forces, would have to be neutralized at the outset. In this scenario, "Swedish abilities in intelligence and decision-making would play a crucial role." [Ref. 60:p. 25] Concern for such a threat can be seen in Defense Minister Anders Bjorck's speech in London on September 1992, "In an era of increasingly high tech warfare, it is vital to be able to follow an aggressors movements at an early stage, and to hit back before he reaches Sweden." [Ref. 58:p. 11]

The CFE Treaty is seen to have a mixed influence on possibility for Russian success in such an attack. Though

CFE limits restrict air transport capability and armored vehicles in air borne units (but not the number of units) it may only foster lighter, more mobile units. Additionally the disorder in the former Soviet Union may make it easier for unusual preparatory troop movements to be misinterpreted. The key role of tactical surprise in the German attack on Norway in 1940, which succeeded despite low troop strength and some intelligence warning, is noted. But also obvious is that, "The map clearly indicates that Russia's starting position for an attack upon Stockholm has been seriously weakened by the withdrawal from the Baltic States (a scenario assumption)." [Ref. 60:pp. 25-26]

In **Case 3** Russia attack to occupy all of Finland and Northern Norway. Motivation for such offensive action might be an attempt to establish a protective zone for the bulk of its strategic assets in the Kola Base complex and patrol areas for the Northern Fleet SSBNs. An attack on Sweden is not essential in this case but would allow Russian ground forces to bypass the Norwegian defenses at Lyngen by passing through the remote "parrot beak" northernmost tip of Sweden. But for such a Russian move on a NATO member, "the risk of American involvement must weigh heavily." [Ref. 60:p. 27]

Surprise would not be as critical in this scenario, but suppression of Norwegian air bases to prevent US reinforcement would require substantial strike air assets. But though this scenario probably would allow for success

against Finland it would probably not be able to secure control of Troms in Northern Norway, "the forces available on Kola, within CFE limits, appear to small for a Russian ground offensive to reach strategically significant areas, while such parts of Finnmark that could reasonably taken seem of little strategic significance." [Ref. 60:p. 29] One conceivable but very risky method of securing Troms would be an airborne - airmobile assisted assault, which would still have to wait for ground forces to link up [Ref. 60:p. 29].

In conclusion, the cited scenario study considers that the traditional large and rapid attack scenarios "that have figured so prominently in Nordic threat perceptions seems irrelevant for the future, unless the CFE Treaty breaks down or is violated." [Ref. 60:p. 29] Therefore support of the CFE is advisable for Sweden. However there are significant caveats. CFE will reinforce a trend to smaller but more powerful and mobile units and the capability disparity between standing forces and mobilizing units will increase. Destabilization might increase the temptation for a surprise attack but could be offset by increased transparency in military affairs fostered by the CFE Treaty. Lastly, "The three hypothetical cases outlined above indicate that adherence to CFE would not necessarily rule out a Russian capability for offensive operations in the region - if such operations are based on surprise,

speed, mobility and quality of units, rather than on mass."

[Ref. 60:p. 30]

Additional relevant implications of the CFE Treaty on NATO's North Flank are developed in the Norwegian edition of the International Institute for Strategic Studies (IISS) *Military Balance 1992-93*. This edition's rendition of the strategic balance in the North is held in high regard by Dalsjo and Zettermark. There are some interesting Nordic interpretations:

After the Russian withdrawals, and the CFE Treaty in 1990, it is no longer considered that there exists a threat of surprise attack and major offensive operations against the Central region of NATO. The Alliance is therefore not likely to give as high priority as previously to reinforcements which may contribute to holding Norwegian territory in the North in a possible conflict.

As a result of developments in Russia and Central and Eastern Europe the line of confrontation in a possible conflict has been moved considerably further East in the Baltic area. The composition of the Russian Baltic Fleet seems to indicate that the task has been to achieve control of the Baltic Sea and to support ground forces in contiguous land areas. In the new situation and with the independence of the Baltic states, it may become the new task of Russian Baltic Fleet to contribute to a forward control and defense of Russia's own territory. [Ref. 6:p. 4]

### **C. STRATEGIC PERCEPTION OF THE US**

With the gradual drawback in US naval exercises and operations in the North Atlantic and Norwegian Sea there is Swedish concern, that in the long term, a power vacuum may develop in the North. A traditional tenet of Swedish strategic thinking has been the need for a balance along the Northern or "Atlantic" axis. After the post-War decline of the United Kingdom, the US is seen as the only power capable

of offsetting Russian predominance in that region. Though not often said in public (though more freely stated today) it is in Sweden's national interest for a viable US strategic presence in the North Atlantic.

An aspect of this perception can be seen in the "Nordic Bloc" component of a "common European security system" proposed by the Supreme Commander Bengt Gustafsson. Underlying the Supreme Commander's logic of a Nordic Bloc is something far different from the Swedish proposal for a common Nordic defense of the late 1940's. Presently, rather than an attempt to minimize a defense link with a superpower (US), the current goal of a "Nordic bloc" is to retain the Atlantic (US) link within a united Europe. The Supreme Commander has expressed the view that the post-Cold War strategic regime that is emerging is for Sweden merely a return to the historical three centers of power axis': Southern --- Europe (EC); Western (US); and Eastern (Russia). He expresses concern about the priority the Central European powers, i.e., the Germans and French, would give to defending Northern Scandinavia. A "European Pillar" to NATO could certainly play a useful role in the broader aspects of Sweden's security policy after EC integration, but is not viewed as sufficient to counter the long term potential threat remaining on the Kola Peninsula. Within the EC the Supreme Commander felt Sweden should "slowdown"



the process of forming an independent European security structure (without the US). [Ref. 26]

Similar statements were made by the senior military commander in Norway and Finland shortly afterward. It should be pointed out that the concept of a Nordic Bloc was denounced by many on the left, including Schori, and even required a mild rebuke from the Defense Minister [Ref. 24]. In off the record remarks with defense professionals there was evident skepticism that the French and Germans would, or even could defend Sweden. Thomas-Durell Young's study for the Strategic Studies Institute U.S. Army War College, writes that such concerns are not particular to Sweden: "There is...a real need to reassure the allies on the flanks that their security interests are not being ignored at a time when the threat to the Central Front has diminished." [Ref. 61:pp. 37-38]

It may seem puzzling as to why Sweden, which was not a NATO member during the Cold War, should champion a continued strong US link to European security - of which it will now become an integral part. Much of the answer lies in the fact that Sweden has long had a discreet security relationship with the US [Ref. 7:p. 364]. Paul Cole argues further in his dissertation that Sweden overestimated its own significance to US planners, assuming that the US would come to Sweden's defense, regardless of its "nonalignment" with NATO:

An isolated Soviet attack on Sweden or a violation of Sweden's security interests was of no direct concern to the United States. Throughout the 1950s, 1960s, and 1970s Sweden continued to base its security policy on the anticipation of U.S. support in the event of Soviet aggression. This extended into nuclear strategy as well as Sweden asserted that the United States would risk nuclear war on Sweden's behalf....[Ref. 7:p. 379]

#### **D. SWEDEN AS A REGIONAL POWER**

Senior naval officers have made public statements to the effect that "showing the flag" in the Baltic has gained new importance as a mission as the Russian Baltic Fleet recedes in capability and operational tempo. Such statements have been severely attacked in the press. Schori characterized such sentiment as being strong in the current government which, "...would like very much to be the new sheriff of the Baltic." [Ref. 13] Colonel Bo Hugemark of the Royal Staff and War College envisions a Nordic-Baltic defense system where Sweden would be the "regional great power" within a Western European Union (WEU) structure that serves as the military arm of the EC, which in turn remains integrated with NATO (US) [Ref. 62:p. 5]. Colonel Hugemark also stresses that many strategists underestimate the significant role even small but well trained, equipped and organized militaries of the Baltic states could play in the region [Ref. 62:p. 3].

Defense Minister Bjorck has made a note of emphasizing, however, that Sweden can not assume the responsibility for the military security of the Baltic states and does not wish to engender false hope. Radar, communication and other

"non-lethal" equipment is being provided, but not heavy armaments. Finland has been the forerunner in the training of Baltic security forces but Sweden has been conducting a security course for a small group of Estonians emphasizing crisis management, ethics and leadership. [Ref. 63]

Within the Nordic region Sweden has always been viewed, if not a bully, something of a "condescending big brother" by the other states. With collapse of old bipolar strategic environment, Sweden, traditionally the strongest industrial and military nation in the Nordic community, does appear to some, as relatively enhanced in strategic status. But it is obvious to many in Sweden, as it is in Russia and the Baltics states, that the real long term potential threat of a hegemonic "sheriff" comes from Germany. A strong Swedish naval "forward presence," which includes "showing the flag missions," could serve a useful role in mitigating those fears and furthering a cooperative regional maritime security structure. This is supported by Steven E. Miller, Senior Researcher at the Stockholm International Peace Research Institute (SIPRI) until 1991, and currently Director of Studies for Science and International Affairs (CSIA) at the Kennedy School of Government, Harvard University:

The political geography of the Baltic region has changed substantially in the past several years as a result of the unification of Germany and the achievement of independence by Latvia, Lithuania and Estonia. The changing political circumstances...have also intensified interest in, and probably increased the feasibility of,

co-operation in the Baltic, so the idea of some sort of regional security arrangement, including naval forces, remains on the agenda.

Indeed, with the collapse of cold war frictions in the area, the likelihood of Baltic co-operation on naval matters and other security issues seems fairly high.

[Ref. 64:p. 10]

Such a security structure would likely be limited to policing, search and rescue, environmental safety, and importantly, refugee assistance and/or control --- missions more in line with the US Coast Guard and Customs than with the Navy. [Ref. 5]

There is a history, however, of Sweden attempting a lead a Nordic military alliance. In the immediate post World War II era Sweden attempted to form a common defensive alliance outside of, and in reaction to, NATO, which "...on the whole consistently followed a long established tradition in pursuing the policy of non-alignment between power blocs."

[Ref. 30:p. 92] The initiative failed, primarily as a result of Norwegian concerns, having like Denmark suffered German occupation, that Sweden could not provide a viable military deterrent to the Soviet Union [Ref. 65:p. 51]. This underling weakness to any such Nordic alliance has not changed. But what is significant to clarify to regional analysts and planners is that the **current** "Nordic Block" debate is an attempt by the Supreme Commanders in the Nordic states to implicitly **align** themselves with the US as a security guarantee and hedge against a European centered and

lead security alliance; particularly if such a security structure supplants NATO [Ref. 66].

The Finns in particular have expressed interest in coordinating military planning, particularly in procurement with Sweden and have shown interest in a joint air defense effort [Ref. 67]. The Nordic states have long coordinated planning on UN peace-keeping efforts, and Sweden has just recently disclosed the existence of previously secret contingency planning with the other Nordic states at the senior level [Ref. 16].

#### IV. FUTURE OF NON-ALIGNMENT

##### A. NORDIC IDENTITY

Sweden historically has pursued a security policy which has emphasized the avoidance of alliances to ensure neutrality in war. This policy emphasized the **separateness** of the Nordic region during the Cold War. In an attempt to diffuse difficult security issues, heavy reliance was placed on international institutions as a means to reduce the bipolarity of the super power competition. More directly, "A traditional Swedish position is to avoid bilateral agreements which could give one great power a **droit de regard** over Swedish policy; the call for multilateral agreement is in line with this doctrine." [Ref. 28:p. 170]

The end of the Cold War, brings into question the need for a continued Swedish emphasis on international institutions as a forum for a security policy which accentuates Sweden's "difference" from Europe. For most of the Cold War such forums were seen as a means of maintaining an active engagement in world affairs while remaining on the periphery of big power confrontation. But the Cold War's end also allows Sweden the political freedom, both internationally and domestically, to pursue direct cooperation with Western states. This implies some international organizations will be joined anew, some approached with a changed emphasis, and perhaps, some discarded. Prime Minister Bildt summarizes these

developments in his introduction to the Swedish governments 1992 defense policy bill:

The Swedish security policy is changing in a Europe which is in the process of change. A new political situation also creates new opportunities for participation in a foreign and security cooperation with other European states. [Ref. 56:p. 1]

## **B. DIRECT IMPACT OF EC MEMBERSHIP**

Sweden, as has Finland, have applied for EC membership. For both nations, this marks a significant departure from a traditional policy of separateness from Central Europe. Participation in the EC, will have an **explicit** impact on security policies. Both have been asked to renounce their neutrality policies by the EC Executive Body before continuing membership talks [Ref. 68:p. A-5]. Subsequently both Sweden's Prime Minister and the Defense Minister have stated that the old policy of neutrality is gone. Both have explicitly stated that Sweden is aware of the security implications of its request to join the European Economic Community (EC), and further, will not shy away from those ramifications [Ref. 56:p. 9]. Prime Minister Bildt acknowledges an awareness that, "...the EC appears to be an increasingly independent factor in the security policy sphere." [Ref. 56:p. 10] But Bildt also stresses that "NATO, the WEU and the EC are not alternative structures in the complex policy pattern now emerging in the West." [Ref. 56:p. 10] "Instead, together with the CSCE, the Council of Europe and the recently formed North Atlantic Cooperation

Council (NACC), they compliment each other as important elements in a European security order." [Ref. 56:p. 10] For Sweden, "the **European Community** (EC) is the obvious nucleus for European cooperation." [Ref. 56:p. 14] But it is the following quote by the Prime Minister that best reflects Swedish priorities:

A consistent theme in EC discussions of political union has been the question of a common security and foreign policy. It should be noted, however, that the term 'security policy' does not automatically have a defensive policy dimension in an EC context. [Ref. 56:p. 16]

Though accepting the implications of common security goals as an EC member, in itself, a departure from Sweden's traditional policy of separateness from the continent (though not inconsistent with the traditional party position of the Moderates), **Bildt clearly does not view Sweden's EC membership as participation in a "pseudo" military alliance:**

...in the foreseeable future, EC member states will probably implement their operative military cooperation outside the EC framework. This does not detract from the picture of the Community as an important stabilizing factor in the security policy sphere in Europe. The EC, in common with other European institutions, including the CSCE, has a fundamental role to pursue in the pan-European security system which is now emerging. [Ref. 56:p. 17]

As the bipolar strategic regime fades Swedish security policies are integrating with larger European security questions, and therefore are likely to lose some of their distinctiveness. However, this should not be overstated. Sweden will retain distinctive characteristics in her approach to security questions which will remain readily



discernable. The less direct, but perhaps pivotal in the long term, economic affect of integration with the continent on the "politics" of security policy will be explored in sections V and VI.

### **C. NATO AND THE WEU**

Though acknowledging that America's relative power will likely decrease within the NATO alliance, Bildt does not equivocate on Sweden's view of a continued US role in Europe:

...NATO will undergo substantial changes in terms of its political role, military tasks and resources. However, there is good reason to assume that, in the foreseeable future, NATO will continue to be the organization within which the West European states, together with the United States and Canada, will channel the major proportion of their defense policy cooperation. [Ref. 56:p. 13]

The WEU is not viewed as a viable alternative to NATO:

In the foreseeable future, member countries (WEU) are hardly likely to wish to duplicate NATO's functions and, as regards defense of the NATO area, the United States and EC countries will probably continue to hold the view that this is purely a NATO responsibility. [Ref. 56:p. 14]

Further, in regards to out of area operations (OOA) under WEU command, such as European naval actions during Desert Shield, it is Bildt's view that "...it is doubtful whether European states have the political and military capacity to act independently of the United States in such situations." [Ref. 56:p. 14] The WEU is viewed as serving the modest role of a "political compromise between 'Atlanticists' and 'Europeans'." [Ref. 56:p. 14]

Unstated here, but central to this Swedish analysis, and evident in much of the writings of the Defense Research Establishment (FOA), is the continued inability of the WEU to provide a nuclear deterrent to Russia comparable to the US. Cooperations with NATO is a very politicized issue in Swedish domestic politics. Many senior Swedish military officers will privately express the desire to work more closely, if not outright join NATO, but such views are sedated by the realization that the time is not politically opportune for such a step, and may be a long time in coming. [Ref. 5]. In an interview on June 1993 at the Foreign Ministry with Ingemar Dorfer, immediately after his return from the Paris Air Show and visit to WEU headquarters, he remarked that it is too early for Sweden to consider applying for full observer status with the WEU (though more closely affiliated neither Denmark or Norway are WEU member states) [Ref. 16]. Questions on future collective security arrangements will remain secondary agenda items until the population approves the referendum on EC membership. However, in the opinion of Bo Petersson, who has been intimately involved with the politics of neutrality issues:

...at least for the time being, no political parties propound formal ties to NATO. My personal idea is, however, that such a discussion might well emerge in a year or two. To my mind, the principal obstacles are not too overwhelming. [Ref. 14]

Though obviously speculative, there are sound historic and strategic reasons why a Sweden within NATO would be

among the group of member states identified by Pierre Lellouche which include, "...the British, who trust neither the French nor the Germans, [and] stick to the American line (along with the Dutch and the Scandinavian)." [Ref. 69:p. 125]

#### **D. EXPANDING ROLE FOR THE CSCE**

The CSCE, which Sweden now chairs, is probably the most likely forum, outside of UN humanitarian and peacekeeping operations, for Sweden to become actively engaged in **military** cooperation with the West. Sweden has long been active diplomatically within the CSCE. States Bildt:

...the CSCE now constitutes, on the one hand, a forum for confirming the major security policy changes in Europe and, on the other, the institutional framework within which it has been possible to enter into practical agreements regarding disarmament and confidence-building measures. [Ref. 56:p. 25]

During the 1970s Swedish policy became actively involved in building majorities with the Third World in the United Nations Conference of the Law of the Sea (UNCLOS). Significantly, writes Tunberger and Dalsjo, these Swedish global diplomatic efforts in UNCLOS were easily transferred to the new emerging CSCE forum:

The initial phases of the CSCE process took place when the UNCLOS was under way. Within the CSCE framework, Sweden, together with the other neutral and non-aligned states (NNAs), unsuccessfully tried to include independent naval activities in the scope of European confidence building initiatives. [Ref. 28:p. 168]

The CSCE has been emphasized by Sweden and Finland as a useful forum for addressing nuclear proliferation and other

security issues. "Both neutrals agree that the CSCE is the natural forum for future continental security questions'."

[Ref. 70:p. 57] Additionally, in the changed military environment, the CSCE has received recent affirmation as a useful form for arms control by NATO [Ref. 71:p. 12].

Robert Dalsjo, Johan Tunberger and Lars Wedin of FOA emphasize the usefulness of the CSCE as a framework to coordinate Swedish military operations with other nations in search and rescue (SAR), rules of engagement (ROE), humanitarian efforts, and even direct military interventions:

...one could easily imagine international exercises outside the context of normal alliances - within the CSCE for example...

The new political and strategic situation might also call for joint naval operations outside the old alliance structures, eg, for peacekeeping or peacemaking purposes. [Ref. 41:p. 31]

The CSCE is seen as both a bridge for coordinating clearly non-combative Swedish participation in naval exercises outside of a formal alliance structure and as a tool for CSBMs furthering the Swedish arms control agenda. The Social Democrats have supported a policy of training and maintaining a deployable force to participate in peacekeeping and peace-enforcing missions for CSCE as well as UN authorized operations. Government opposition stems primarily from a policy goal of funding defense programs felt to be of higher priority. Schori emphasized an interesting point of view that by actively participating and

contributing a specially trained Swedish battalion to operate with the CSCE and UN in out of area (OOA) crisis Sweden would be helping to prevent these organizations from becoming nothing more than an operational "pax-Americana." [Ref. 72]

#### **E. NORDIC / BALTIC SECURITY COOPERATION**

In addition to the trend for closer political ties with Europe, there is perhaps what may prove to be the counter Swedish trend of encouraging incorporation of the Baltic states into a regional forum. Ole Waever's "Nordic Nostalgia: Northern Europe after the Cold War," illuminates this Baltic Sea cooperation which supplants at the same time as its adds to a movement toward a broader European identity, particularly in Sweden [Ref. 73:p. 97]. Participation of Sweden, Denmark and Finland in Baltic integration in conjunction with and/or distinct from overall European integration would be an especially needed stabilizing regional influence. As Robert S. Wood, Dean of the Center for Naval Warfare at the Naval War College, points out, "...the collapse of the Soviet East European empire and finally the disintegration of the U.S.S.R. itself, the issue of trans-European unity reemerges, but so does virulent tribalism." [Ref. 74:p. 20] Including the Baltic states into some type of broader security would serve to enmesh, "...the Baltic states in regional and broader security structures so as to make it extremely difficult for

a resurgent power to rise from the ashes of the Soviet Union and present a reinvigorated military or hegemonic threat...." [Ref. 40:p. 55] A consultative Baltic Council has already been established with the goal of forming a Baltic Custom Union to provide closer coordination between the Baltic and Nordic Council and through the formation of a Baltic-Black Sea Association, and possibly a Council of Baltic Sea Countries. [Ref. 40:pp. 71-72] Lastly, it is noteworthy in the context of the changing international strategic regime, that security policy has been recently broached for the first time by the Nordic Council, long a taboo topic there. [Ref. 37:p. 95] Sweden has been particularly active within the Nordic Council and the Nordic Council of Ministers in assisting the building of the Baltic Council as an institution [Ref. 22].

The Baltic states look to the Nordic states as their link to "Greater Europe" and their conduit to eventual economic integration to the continent without "cultural domination" (particularly from Germany). The Nordic states are attempting to cooperate through the Nordic Council to channel and limit counterproductive economic competition among themselves to assist the Baltics in the building of viable economic and political infrastructures. Informal contacts have often proved more important than the formal ones. Swedish businessmen in the Baltic republics are seen

as less threatening in the long term than the ever present Germans. [Ref. 22]

The Baltic states would very much like a military alliance with Sweden (or essentially anyone) but the Swedes are reluctant to encourage such hope. As pointed out by a Ambassador Rodney Kennedy-Minott:

Although the Swedes support and applaud the drive for freedom among the peoples of Estonia, Latvia, Lithuania, and Poland, they also fear that such expressions of militant nationalism will cause turmoil and invite Soviet retaliation. [Ref. 49:p. 38]

Nonetheless, the Swedes have donated several small coastal patrol vessels to Latvia and are also building a modest AEW system for all three states. Estonia is not viewed in as serious of difficulty, and has been able to obtain more substantial help from Finland, a geographically closer neighbor. [Ref. 22]

But the Baltic security **threat** presently to Sweden is primarily perceived in terms of the already developing massive influx of refugees. In 1992 over 83,200 arrived via Russia and the Baltic states, mostly from Bosnia and Kosovo but also from the Islamic republics of the former Soviet Union [Ref. 75:pp. A-1-10]. The summer of 1993 the rate of arrivals averaged well over 1,000 a week. With this influx comes the not always stated concern over the potential for criminal elements to enter Swedish society. This refugee problem is viewed as a crisis, particularly in lieu of a very high unemployment rate (9%) and overall sluggish

economy [Ref. 76]. This refugee "crisis" is helping foster the domestic political consensus between the governing Moderates and the Social Democrats allowing increased defense expenditures [Ref. 5].

But there is also an awareness of the inadequacy of the Swedish response to a previous refugee crisis during the World War II era, particularly the forced and generally unpublicized return of Estonians, many with ethnic Swedish ties. Writes Ola Tunander for her contribution to the Baltic Institute's *The Baltic Sea Area: A Region in the Making*:

Moreover, thousands of Baltic and especially Estonian refugees have made an imprint on Swedish perceptions of the world. Swedish-Baltic ties may grow stronger even stronger now, with the returning refugees who carry with their Swedish links (business, family and friendship) back home.

Tunander also writes, interestingly, that:

Today, close political, economic and personal ties between Scandinavian and Baltic countries are to a great extent supported in Moscow, possibly to balance increased German influence. [Ref. 77:pp. 211-12]

This enhanced regional focus **may** result in a **reduced** Swedish reliance on broader international forums, such as the UN, to further policy goals. This is not a stated Swedish objective, but there are enough indications to merit the view that this may be the long term trend.



## **V. BUDGETARY ASPECTS OF SECURITY**

At a time when defense cuts are essentially an accepted given for the near future on both sides of what was the "Iron Curtain," the Swedish government is increasing defense expenditures. Speaking to the Parliamentary Assembly of the Western European Union (WEU) in Paris, on 4 June 1992, Swedish Defense Minister, Anders Bjorck stated that:

...Sweden is one of the few European states which will be increasing its defense expenditure over the next few years. Yesterday Parliament decided the orientation of Sweden's defense policy for the period 1992-1997. On the one hand this decision means an increase in the defense budget in real terms after two decades of unchanged military expenditure, while on the other hand it involves an investment in the modernization of Sweden's defenses, with some reductions in volume terms to permit an improvement in the quality of equipment. [Ref. 23:pp. 3-4]

This may appear a perplexing development in what was virtually the classic "case study" nonaligned Western industrial state which emphasized the diplomacy of arms control and CSBMs over military alliances. However, there is long term continuity in the logic for such increased expenditures.

### **A. COMPARATIVE REGIONAL TRENDS IN DEFENSE SPENDING**

During the 1960s Sweden devoted a relatively high amount of its Gross Domestic Product (GDP) to defense spending, 4%, as compared to 2.9% for Norway and 2.7% for Denmark. The subsequent decline in the 1980s to 3% parallels similar declines in character and size to West Germany, The Netherlands and Belgium. Interestingly, Sweden's per capita

defense spending of \$481 (1985), was considerably higher than the NATO average [Ref. 78:p. 152]. The 1990 percentage of Swedish Gross National Product (GNP) spent on defense was 2.7% [Ref. 79:p. 14].

The regional defense expenditures for 1992 are \$6.19 billion for Sweden, \$3.51 for Norway, \$2.59 for Denmark, \$1.98 in Finland and \$31.03 for Germany. A short term comparison of these expenditures with corresponding 1991 figures reveals a one year **growth** of 5.63% for Sweden. 1.45% for Norway, a -0.77% drop for Denmark, a dramatic -10% decline for Finland, and a -3.93% decline in the German Defense budget. [Ref. 80:pp. 39-83]

There are various strategic perceptions, most notably the "sausage theory" discussed previously that could be used to attempt to explain Swedish increased defense expenditures in the 1990s. However, the significance of a causal relationship between strategic change and recent increased defense expenditure is not convincing. The "strategic change" has not resulted in increases in such expenditure in any other Northern European nation, including Sweden's Nordic neighbors which also face the same regional threat from the chaos in the East. Moreover, the renewed Swedish interest in rebuilding her defense forces arose before the Soviet breakup. Interviews FOA analysts, Swedish military officers, the Assistant US Naval attache and members of the Swedish Government all stress, with one exception, that the

current impetus for increase in the defense budget has been the long delayed need to modernize, particularly the Army -- - not strategic change. Though minor expenditures on specific equipment, particular for the interception of refugees from the East, can be directly linked to regional instability, the overall budget can not [Ref. 5].

## **B. DOMESTIC POLITICS**

Factors particular to Sweden can best explain an increase in defense appropriations --- namely an attempt to redress decades of decline in defense spending. The Soviet submarine intrusions into Swedish territorial/internal waters have received extensive publicity in throughout the eighties and provided the government with the initial previously lacking domestic support to redress the steady decline in relative defense appropriations. Writes Ambassador Kennedy-Minott:

In 1987, after a long debate, the Swedes adopted a defense budget amounting to a 1.7 percent increase annually over the next five years. This marked the first such increase in twenty years, but by 1989-1990 it was becoming apparent that this increase would not be enough. [Ref. 49:p. 37]

The linkage between the submarine intrusions and the defense budget has become a domestic political issue in itself. The Social Democrats, which have held power for most of the period since World War II have traditionally been much less keen to support defense expenditures [Ref. 81]. In an interview in June 1993 Pierre Schori maintained that the submarine incursions were not a political issue for

the his opposition Social Democrats, but only for the government, who inflate the issue of the "budget boats" for their own political agenda. He also continued to expressed doubt that these intrusions have even occurred [Ref. 13]. The submarine issue has been a reoccurring domestic political issue for over ten years, "Politically, it has brought out bipolarity between Conservatives, who want to spend more on defense, and the Social Democrats, who want to spend less." [Ref. 53:p. 200] (Both US and Swedish naval officers familiar with this issue maintain that unclassified sources indicate continued penetration of Swedish territorial/internal waters by Russian submarines and/or submersibles. In fact after being given acoustic tapes by a Swedish delegation in February 1993 Russian President Yeltsin confirmed that his experts concluded that the incursions were intrusions into Swedish territorial/internal waters by underwater vehicles --- but did not admit that they were Russian [Ref. 5]. Additionally, the first official Submarine Defense Commission as far back as 1983 clearly identifies Warsaw Pact vessels as the transgressors [Ref. 29:p. 80])).

Schori further elaborated that in his view the Supreme Commander, Bengt Gustafsson, has had great difficulty in admitting that there is no military threat to Sweden today, though "he would like to say differently for budgetary reasons." Despite this long term trend of bipolarity on the

submarine issue and defense allocations the Social Democrats supported the 1992-1997 defense plan and its increase in defense funding. The consensus has since broken down and there have been two modest downward revisions in defense appropriations but this is primarily due to differences over overall economic policy rather than strategic planning. [Ref. 12] [Ref. 13]

#### C. ECONOMIC ASPECTS OF STRATEGIC ENVIRONMENT

Arising from both domestic and international critics, there have been unflattering claims over the years, that Sweden has benefitted from "de facto" NATO protection and the US nuclear guarantee to the alliance. This has been a politically sensitive issue in Sweden. An economic study by James C. Murdoch and Todd Sandler, utilizing a utility-maximizing model to estimate a demand curve for estimating military expenditure, produced some results which were perhaps not intuitive. An assumption of their model is that nations "consider all possible deterrence decisions of the other nations that it views as allies when choosing its own level of military activity." [Ref. 78:p. 156]

Considerable research supports the contention, particularly when examining NATO, that the smaller allies gained a disproportionate share of their security from the defense expenditures of their larger partners, particularly in terms of the US nuclear "guarantee." During the 1950s, when NATO conventional forces were relatively weak, nuclear

deterrence was emphasized at the expense of conventional capability. Murdoch and Sandler contend that as NATO strategy shifted to "flexible response" at the end of the 1960s, and Northern Flank conventional forces were gradually strengthened, Sweden's security posture was enhanced even though it was not a member of the alliance:

Clearly, strong conventional forces in Norway, Denmark and West Germany could provide defense spill overs to Sweden. Under MAD, conventional spill overs were less significant for the neutral countries, like Sweden...Neighboring NATO nations, such as Norway, have increased their conventional armaments since the early 1970s and this increase can directly protect Swedish sovereignty. [Ref. 78:p. 158]

After testing their model, Murdoch and Sandler conclude that, Sweden, rather than free-riding on NATO defense spending in aggregate, appear rather to have benefitted more directly from defense spending by its Norwegian neighbor:

...prior to 1973 Sweden was self-reliant for its military expenditure. During the flexible response era (a NATO strategy) after 1973, Sweden began to rely, to some extent, on its NATO neighbor Norway. [Ref. 78:p. 170]

The main draw on Swedish fiscal resources, particularly from the early 1970s, was the dramatic rise in public sector spending. Increased revenues were applied to this service sector, and defense spending declined in relation to total expenditure from 3.6% of GDP in 1970 to 3.0% in 1985; Central Government Expenditure (CGE) decline was even sharper. This decrease occurred during a period of significantly rising Cold War tension, and an increase in Soviet global and **regional** military capability, as well as

outright Soviet intimidation [Ref. 78:p. 164]. Therefore, "Sweden, as well as the NATO allies may put more weight on internal budgetary considerations when deciding its military expenditures (i.e., external threat may be of secondary importance)." [Ref. 78:p. 165]

The economic effects on defense spending of a breakup of NATO on Sweden is not predicted by Murdoch and Sandler to be dramatic, particularly if Sweden joined a Nordic Defense Pact with Norway and Denmark, "Since Swedish free-riding is with respect with Norway and not NATO or the US ~~per se~~, Swedish defense expenditure should not be significantly affected by a breakup in NATO." [Ref. 78:p. 170]

Additionally, it should be stressed that "Sweden's free-riding on Norway is very limited in scope...[but]...this limited free-riding is likely to continue if a Nordic Defense Pact is formed." [Ref. 78:p. 170] If valid, Murdoch and Sandler's model would partially explain the need for Sweden to bolster its own defense expenditures to compensate for reduction in Norwegian efforts, but this does not appear to be strong enough to constitute ~~the~~ significant factor. Little correlation, positive or negative, was discernable between Swedish and Danish defense expenditure, or for that matter, Soviet.

As a counter argument, the Swedes can and do argue that NATO enjoys significant benefit by Swedish defense efforts, particularly from her Air Force, which in size and quality

is comparable to Germany's. This force in essence, guards Norway's eastern border as well as Sweden. Richard Bitzinger, in his 1991 RAND study, *Facing the Future: The Swedish Air Force, 1990-2005*, supports this view:

...Swedish defense efforts have long benefitted NATO security in the Nordic region. Sweden's ability to mount a considerable defense effort, particularly an extended defense over its national airspace and much of the Baltic Sea, constitutes a substantial shield protecting NATO's northern flank. Therefore, the maintenance of a strong Swedish defense has long been in the interests of the Atlantic alliance...

...In the absence of a large and sophisticated Swedish defense capability, NATO would be forced (1) to devote many more resources than it presently does to the defense of its northern flank and (2) to pressure Denmark and Norway into expanding their defense efforts. [Ref. 37:pp. v, 1]

#### **D. TECHNOLOGICAL UPGRADES AND DEFENSE EXPENDITURE**

The second "driver" for reversing decades of relative defense reductions is focused on the technological revolution in warfighting. Such trends demand that Sweden remain at the cutting edge of key areas of defense technology. Reliance on arms imports will not be a Swedish option. States Defense Minister Bjorck, "...Sweden will safeguard the survival of our defense industry, and its long term development capability." [Ref. 58:p. 10] Thus reliance on indigenous arms production, particularly in key high technology areas will remain a precept of Swedish security policy, despite the seemingly global phenomena of the logarithmic rise in platform cost in ratio to platform numbers. For this reason, alternatives such as purchasing US F-18s or F-16s, both considered in 1982, which might



produce considerable savings rather than the cost plagued indigenous Gripen 39 program, are not acceptable. Bjorck clearly states the Gripen remains a priority: "Investment in the JAS 39 Gripen combat aircraft is of particular importance...there is no alternative to an independent Swedish defense system." [Ref. 58:p. 4] Much political and monetary capital has already been sunken into the indigneous effort. The basic logic of this continued approach was reiterated by the PM in his introduction to the 1992 Defense Bill: "As regards the purchase of military equipment for the Swedish defense forces, we should avoid dependence on other countries which might exert pressure in an acute crisis." [Ref. 56:p. 4]

#### **E. IMPEDIMENTS TO INCREASED DEFENSE EXPENDITURE**

Murdoch and Sandler contend that the most significant variable to examine for a reflection on long term Swedish defense budgeting is not its GDP but its CGE. The percentage of CGE spend on defense has seen dramatic decline as a result of the corresponding rise in domestic welfare and transfer payments, "In 1960, 20.4 percent of Swedish CGE was allocated to defense; in 1985, only 6.4 percent went to defense." [Ref. 78:p. 153] Perhaps, a parallel can be drawn between the current US budgetary constraints and the Swedish experience, "...empirical evidence suggests that the military sector is shouldering most of the burden of Swedish drive to balance the budget in the 1980s." [Ref. 78:p. 166]

Though the Swedish government's current intention is clearly to sustain, even increase the percentage of CGE allocated to defense to meet long term security objectives, there is likely to be a sharp political threshold to these increases. The Swedish economy shrank a further 3.6% in the final quarter of 1992, the worst since the Official Bureau of Statistics changed their calculations in 1980, and foreshadowed a third straight year of recession [Ref. 83:p. 11].

#### **F. PROPORTIONALITY OF DEFENSE SPENDING**

Sweden proportioned its funds within its defense branches in 1981 with 33.4% going to land forces; 34.7% for air forces, 14.2% for naval forces, 13.1% for central support and 0.6% for UN peacekeeping troops [Ref. 78:p. 154]. After the October 1981 "Whiskey on the Rocks" incident and the resultant massive publicity of the continued Soviet submarine intrusions into Sweden's territorial/internal waters, the Navy was allotted supplemental funds in 1983, amounting to \$120 million specifically for anti-submarine warfare (ASW) [Ref. 49:p. 27]. It is therefore apparent that domestic politics can significantly impact not only the size of defense spending, but how it is proportioned as well.

Some comparisons between Sweden and other Nordic nations are worth noting. For example, both Sweden and Finland spent in 1987 about \$300 million on equipment for their

armies, which have about an equal mobilized strength, but the Swedish "...Navy and especially the Air Force spent much more than their Finnish counterparts." [Ref. 79:pp. 14-15] Sweden was about 80% self sufficient in material, about twice Finland's rate. This compares well with both France and Britain which were 70 to 80% self sufficient in 1987 [Ref. 79:p. 15].

## **VI. SWEDISH DEFENSE INDUSTRY**

### **A. STRATEGIC SIGNIFICANCE OF THE INDUSTRIAL BASE**

An emphasis on domestic arms production is not a new Swedish objective; it has nurtured a strong military industrial base for many years. Sweden is particularly unique in that, though a relatively small nation, it has been able to maintain competitive in key areas. This owes much to focused planning. Ingemar Dorfer contends in his book on the Viggen program, *System 37 Viggen*, that Sweden has long adapted the second of three scientific strategies for maintaining its industrial base. Sweden does not attempt to compete across the board, nor does it extensively pursue a policy of acquiring foreign licenses to compensate for a lack of basic research. Rather Sweden's industrial policy has traditionally been designed to conduct original research and development in specific areas to both bolster Sweden's high technology exports, on which it is heavily dependent, and to support a security policy stressing minimal external dependence on foreign arms. Writes Dr. Inegmar Dorfer:

Instead of following in the footsteps of the superpowers in order to keep up with them on a broad front of basic research and technology, Sweden has concentrated her R & D in those fields of science and technology considered important for the future development of industrial strength. [Ref. 84:p. 15]

Dorfer elaborates further in a 1991 paper for the Swedish Defense Research Institute (FOA):

Since the power blocs have weapons systems directed against each other none of them are optimized against the Swedish defense profile. At the same time the nation needs competence to follow the technological development of the great powers....[Ref. 84:p. 12]

Relying on her Air Force for not only air defense but a "periphery defense" strategy to defeat the perceived major threat to Sweden during the 1960s, an amphibious invasion from the Soviet Union in conjunction within a larger European War, great effort was placed on maintaining a robust domestic aerospace industry [Ref. 28:p. 165]. To visualize the economic impact of this focus, it is useful to point out that for many years during the 1960s the Viggen interceptor/attack aircraft project "alone consumed 10% of all Swedish R & D funds, or comparatively as much as the Apollo project in the United States." [Ref. 84:p. 15]

#### **B. COOPERATION WITH FOREIGN FIRMS: HISTORICAL LOOK**

As early as 1936 the Swedish Parliament had determined, "...that an indigenous aircraft industry was to be a key element in the Swedish defense effort...." [Ref. 79:p. 3] But such strong emphasis on the domestic aerospace industry does not mean there has not been a history of cooperation with foreign firms. Britain was Sweden's chief partner after world War II, to be eventually superseded by the US. [Ref. 79:p. 4]

Reliance on support from Britain in the 1950s was largely the result of Sweden's decision in 1949 to remain outside NATO "and for nine years Sweden was denied advanced

American military technology." [Ref. 79:p. 5] This ban was lifted in 1958 and permitted extensive cooperation with the US, which allowed the eventual incorporation of the US Pratt & Whitney JT8D-22 into the Viggen program, as well as the Sidewinder air intercept missile (AIM)-9, and considerable avionics. The Improved HAWK surface to air missile (SAM), Hellfire anti-ship missile (ASM), Redeye SAM, TOW anti-tank missile (ATM), Hughes 300B and Bell 204, 206 helicopters were all US systems exported to Sweden. As Ingemar Dorfer points out:

System 37 Viggen, the symbol of Swedish independence is 20% foreign, 14% American and 6% European....The Viggen successor JAS 39 Gripen (currently in the test and development phase) is 40% foreign - 20% American and 20% European...The Navy has been less dependent...but was helped with crucial ASW technology during the 1980s when submarine intrusions into Swedish waters were common...The Army, (is) traditionally the most insular....[Ref. 79:pp. 6-7]

However, there is sound historical precedents for Sweden to attempt to be as self sufficient as possible, particularly **when its major strategic objective was to remain outside of any security alliance to allow for a policy of neutrality in war.** This logic appears to have weakened as the Swedish need to politically distance itself from the super powers, both internationally and **domestically**, has diminished. Nevertheless, Swedish policy makers have clearly reiterated that domestic production of arms remains a pillar of their strategy. Perhaps the answer to this riddle lies in the strength of the impression of

historical experience upon Swedish policy makers. Details

Dorfer:

A crucial step in the formation of weapons development philosophy had been taken in the first weeks of World War II...SAAB urged the (Industrial) Commission not to base its planning on dumped price foreign aircraft. Over the next few years SAAB was proven right. France did not deliver its Breget...Germany canceled it contract for Donier 213. [Ref. 84:p. 66]

During its period of reliance on British cooperation in the 1950s relations were also very amicable. This was not always the case with Swedish - US relations. In response to Prime Minister Palme's statements condemning the US bombings of Hanoi, Secretary of State Henry Kissinger attempted to stop the export of spare parts for the Viggen, but was overruled by DoD and President Nixon [Ref. 79:p. 8]. Subsequently, "In 1975 Washington in fact vetoed Viggen exports to the NATO members Norway, Denmark, The Netherlands and Belgium and in 1978 the Carter Administration vetoed Viggen exports to India." [Ref. 79:p. 8] Writes Ambassador Rodney-Kennedy Minott:

Another negative factor that strained relations was the apparent capriciousness in application of U.S. export control rules and regulations. That problem, combined with the time-consuming process of obtaining clearances and approvals from a myriad of U.S. government agencies, further frustrated the Swedes. To make it worse, those Swedes most affected were the industrial and military leaders who were the most pro-U.S....[Ref. 49:p. 18]

Paradoxically, as American and Swedish relations have improved, the likelihood of Sweden's reliance on American systems, in the long term, appears to have diminished and closer cooperation with European industry more likely. But

this should be not overstated. The Swedes will still be dependent on US technological cooperation in key areas. Incorporation of the still developing US advanced medium-range air-to-air missile (AMRAAM) AIM for the Gripen is under consideration (as is a a joint French-Swedish system). But whether imports are US or European in origin, Sweden is becoming more dependent on the West, particularly in avionics and air-to-air missiles (AAM) as Richard Bitzinger points out:

...it is a little known fact that the SwAF's (Swedish Air Force's) AIM-9L Sidewinders...must be serviced abroad...Not only does this raise Swedish reliance on the West, but also a number of Swedish air-to-air missiles may be outside the country at any one time....[Ref. 48:p. 30]

#### **1. Current Arms Imports and Foreign Licenses**

Sweden is reported in the SIPRI Yearbook 1992 as the recipient in the period 1987-91 of \$315 million in conventional arms from abroad or produced under foreign license. Of this total, \$130 million was US, \$91 million French, \$57 million British, \$35 million German and \$2 million other. [Ref. 85:p. 314]

### **C. CURRENT PROJECTS**

#### **1. Aerospace Industry**

The major project for the Air Force, and the major current project for Swedish defense industries as a whole is the JAS 39 Gripen. The airframe is produced by Saab-Scania. It will utilize a Volvo and GE 440-400 jet engine. The radar, central computer, heads up display (HUD) are produced



domestically by Ericsson. Honeywell (US) is producing the Inertial Navigation System (INS) and the fly by wire is a Swedish Lear Astronics product. The Gripen has been plagued by cost overruns, is at least two years behind schedule, and had its first prototype crash in 1989. Writes Dorfer:

A major problem with the software provided by Lear Astronatics for the fly by wire system caused the crash. Unlike the French Raphael and the British-German-Italian EFA JAS is based on hard tooling, leaving little flexibility for correction...Whereas the Norwegian Air Force can buy its latest F-16 for a fly away price of \$17 million...the JAS unit price will be \$33 million including R & D, i.e., twice that of the F-16. [Ref. 79:p. 10]

The first Gripen was delivered to the Swedish Air Force in June 1993. The Poles, among others, have expressed an interest in acquiring the Gripen which is the worlds only light-weight fighter to combine the interceptor, attack and reconnaissance role into one system [Ref. 86:p. 32]. It will be currently operational with the US Aim-7 Sparrow and AIM-9 Sidewinder for the air intercept role, and the Bofors RBS-70 for maritime attack. [Ref. 87:p. 107]

The Swedish aircraft industry overall had an overall net worth of approximately \$14 billion in 1989, \$6.5 for SAAB, \$3.5 for Volvo Flymotor and an avionics industry worth \$4 billion. For a perspective, Boeing was worth \$160 billion in 1989. [Ref. 79:pp. 9-10]

## **2. Other Industries**

In addition to its core aerospace industry, Sweden is also a technological leader in diesel submarine technology and shallow water ASW and will be an attractive

partner in future European projects. Expertise in building short, small tonnage surface combatant hulls for limited endurance missions in the Baltic should position Sweden well for sales to other littoral states with a need for a patrol craft in an extensive archipelago [Ref. 88:p. 21] "The shipbuilding industry - and especially the production of submarines - has adapted a successful export policy since the late 1980s." [Ref. 89:p. 147] Cooperation between Kockums of Sweden and the Australian Submarine Corporation (ASC) is already underway for an advanced diesel submarine which includes both integrated R&D and development. Writes Bjorn Hagelin of the Department of Peace and Conflict Research at Uppsala, Sweden:

The submarine project is an extraordinary venture, one of the biggest military projects ever undertaken in Australia and the first foreign sale of Swedish submarines. The contract encompasses the entire chain of activities from development and design to production planning, manufacture, sea trials, spare parts supply and training. The total cost is...more than half Sweden's annual military expenditure. [Ref. 90:p. 3]

Despite the Australian majority share in the overall program management, and assemblage there, US companies are also heavily involved. Rockwell Collins (US) is a major participant in the Consortium. The ASC itself includes Wormald International Australia (US) and CBI Constructors (US). The combat systems development and production will include heavy involvement by Rockwell International and Singer Librascope Division of the United States. Other participants include Rockwell Electronics of the United

States and Bath Iron works of the United States as consultants (these companies are not necessarily US owned) [Ref. 88:pp. 90-91]. The point here, is that this very significant bilateral Swedish-Australian arms project is inseparable from an increasingly integrated global arms production infrastructure.

#### **D. FUTURE TRENDS**

##### **1. Continuation of High Technology Emphasis**

The Gulf War was not a "lesson" limited to Russian military thinkers. The Swedes took particular notice of the decisiveness of the edge in quality of Coalition air power. This served to reinforce Swedish efforts to continue with the JAS 39 Gripen combat aircraft program, a program firmly rooted in Swedish concerns to maintain indigenous technological capability. [Ref. 84:p. 10] However, Ingemar Dorfer predicts but also qualifies that:

After fifty years of developing and producing Swedish combat aircraft JAS Gripen is certainly the last and most expensive jet fighter. Much of the missiles and avionics are American and British and the foreign share does increase. Uniquely Swedish is however the base and C3I system, the maintenance and logistics and the integration with the civilian infrastructure. Foreign technology has been mated with clever national doctrine in a profitable manner. [Ref. 79:p. 25]

##### **2. Integration with Europe**

There are significant political trends, in addition to technological ones, that are highlighted by the Prime Minister, Defense Minister and others, foreshadowing increased cooperation between Sweden and Europe,

particularly in light of the pending integration into the EC. In his introduction to his Defense Bill, the Prime Minister clearly acknowledges this, while also stressing the security need to retain Swedish indigenous capability:

An independent supply capability in time of war, and in crises which involve the threat of war, is still required. On the other hand, as a result of Sweden's impending membership of the European Community, independent supply requirements for other types of crisis will be lower than the past. [Ref. 56:p. 4]

But **independence** from the **European defense industry** is no longer a security objective however, stated Prime Minister Bildt, "Swedish membership of the EC will mean that we can assume that the risk of measures of this type [economic external pressure on security foreign policy matters] directed against Sweden by other members of the EC will be totally eliminated...." [Ref. 56:p. 47]

The economic aspects of Sweden's integration into the EC are likely to be closely shadowed by direct affects on its arms export policy, and future security partners, particularly the effect of cooperative production and co-development programs. Ian Anthony, in his book for the Stockholm International Peace Research Institute (SIPRI), elaborates the systemic consequences of co-development:

Co-development requires a participating country to accept a degree of loss of national control over the procurement process, and therefore presupposes a close political relationship between participants....co-development also requires consultation and joint planning by participants from the outset. [Ref. 88:p. 68]

...co-development is of enormous potential significance for the arms trade. In future, systems developed and

produced jointly could replace systems previously traded, in particular between members of the major alliances. If this were to happen it could have profound implications both for relationships between European countries and for the relations of those countries with the United States and Canada. [Ref. 88:p. 16]

Anthony further highlights the potential for an EC dominated arms export regime, perhaps the already formed Independent European Program Group (IEPG), drawn from the European members of NATO, to alter previously independent and sovereign decisions on arms transfers and exports of member nations. This has obvious policy implications for Sweden when it becomes a full EC member. Co-development could strain continued Swedish attempts to distance itself from military alliances and could also contribute to economic (arms export competition) undercurrents within NATO which might weaken links across the Atlantic. This should not be overstated, however, as previous discussion on strong Swedish desires to maintain and even strengthen Atlantic links for Swedish security goals have already addressed. As Anthony highlights:

The implications are particularly important for very large programs, where the cost of research, design, development and production is simply beyond the budgetary possibilities of a single country other than one or the other superpower. If the forum for organizing procurement of this kind was to be the IEPG within NATO, it would further contribute to the perception of a growing polarization between Europe and the United States as separate decision making centers within the alliance. If the organizational setting for greater collaboration was to be outside the alliance, it would contribute to the perception in the United States and elsewhere that growing political unity in Western Europe was creating a powerful economic bloc. [Ref. 88:pp. 16-17]

The IEPG will be transferring control of the European-Co-Operation for the Long Term in Defense (EUCLID), a NATO organization founded in 1976 to coordinate European NATO defense research and to establish standards of commonality in arms production, to the Western European Union (WEU) organ, the European Defense Industry Group (EDIG). By transferring control of the organization to the WEU American influence is expected to be reduced. An eventual savings of 20% is expected in the current over capacity European defense industry with the assistance of EUCLID's long term coordination and planning. Euclid is free of parliamentary control and conducts research and development in close cooperation with industry and academia. The Bildt government is reportedly in contact with the IEPG but apparently have not formalized cooperation. The Social Democrats are reportedly positive towards the IEPG as well. Swedish participation in joint military research within the WEU structure will likely impact Sweden's overall policy towards the security organization. [Ref. 91]

Though Sweden domestic sufficiency in arms production has been very high, it is "...probably too high to be economic." [Ref. 79:p. 26] Sweden will have to "...export more or integrate more with the Western industry to survive." [Ref. 79:p. 26] Interestingly, Sweden ranks first in the world in the measure of offset obligations as a

percentage of sales (173%) By comparison, the US percentage averages around 50%, and the UK 105%. [Ref. 92:p. 176]

Ingemar Dorfer outlines the impact of recent global geopolitical change and how it will impact Swedish strategy in its "pillar concept" of self sufficiency. Significantly, he concludes by **identifying** that Sweden's long stated precepts of neutrality in war are less constraining on industry and her international affairs in peacetime, in the post Cold War environment, allowing for a lessening of self sufficiency. Fortunately for Sweden, this geopolitical change has occurred coincident in time with the economic impracticality of maintaining a rigidly self sufficient industrial base:

In the paradigm shift under way in Swedish politics and society arms exports will not remain the *tabu* topic it has been in the past. If Sweden is to enter the Economic Community and collaborate with the European armaments industry also the arms export rules will change. Unlike Swedish industry in general the defense industry is not used to collaborate in Europe. Fortunately the major Swedish armaments corporations are half in and half out of the defense business. The choices outlined by Andrew Moravesik - collaboration, competing consortia and managed trade - are relevant also to Sweden. In an integrated economy Sweden's weapons dependence will be more obvious than it has been in the postwar period but nor will it clash with a proclaimed policy of neutrality and independence as it has in the past. [Ref. 79:pp. 26-27]

The slump in the world arms market, declining post-Cold War defense budgets and political pressures are creating an environment of consolidation, as well as both horizontal and vertical integration in arms production. The Swedish arms industry will likely become even more effected

by this general European trend after EC membership. But these industrial trends are a global rather than a continental phenomena. In an attempt at divesture to provide a financial foundation broader than a purely defense base, Saab-Scania recently was infused with investment from General Motors [Ref. 93:p. 102]. The transaction included collaboration in defense related projects. Bofors has recently signed an agreement with Raufoss of Norway which will lead to a narrowing of core areas of production: Raufoss will produce shells for both companies and Bofors the gunpowder [Ref. 94].

A report from the *Svenska Dagbladet* indicated that Mica of France is the likely producer of the semi-active air-to-air missile (AAM) for the Gripen. The contract could be worth \$1 billion (US). Ericsson is reported to have already been contracted to develop the fire control radar for the semi-active missile. Though the complete agreement is apparently not concluded, and other missiles are still under consideration (the US AMRAAM), if Sweden's Ericsson Electronics can successfully develop the radar, considerable profit and employment will remain within Sweden. The Swedish-French agreement is not specifically concerned with the missile project but focuses on joint production and further integration of Sweden into the European defense industry. A decision on the missile is scheduled for late 1994. Though traditionally dependent on the US for their



air-intercept-missiles (AIMs) the US is reported to have refused export rights for the AMRAAM as part of the JAS-37 Gripen system. This allegedly is reported in the article as having influenced the Finns decision to purchase the US F/A-18 Hornet rather than the Swedish Gripen. In another joint Swedish-European defense industry possibility, reported in *Dagens Industri*, a linkage of British Aerospace's marketing organization to help SAAB Military Aircraft export the Gripen is conjectured. [Ref. 94]

Perhaps not so obvious potential is closer Swedish-Japanese cooperation in defense industries, particularly Aerospace. Stated Defense Minister Bjorck in his 23 November 1992 speech in Tokyo:

We are very much impressed with Japanese high-technology and the remarkable degree of competence that Japan has built up in a wide range of industries. Many of these industries - particularly the electronics industry - are of vital importance to modern defense technology.

Today, cooperation between Japan and Sweden in the defense industry sector is relatively limited. I trust that, in the future this cooperation will increase in different fields of mutual interest. [Ref. 8:pp. 10-11]

Kockums has been working with Mitsubishi since 1990 to develop a 600kW version of the Stirling air independent propulsion (AIP) power plant. The *Harushio* class submarine currently under construction at the Mitsubishi and Kawasaki shipyard in Kobe is generally viewed as the likely platform. [Ref. 95:p. 518]

## **E. EXPORTS AND ARMS TRANSFER REGULATORY POLICY**

### **1. Export Overview**

Sweden is the largest arms exporter per capita in the world, according to Ron Matthews of the School of Defense Management, Cranfield Institute of Technology, and is "has firms selling arms to some forty countries." [Ref. 96:p. 42] But it is worth noting that Swedish exports in aggregate, particularly high technology industrial goods, are a very high percentage of the Swedish economy. Seen in this light, Ingemar Dorfer points out that, "A weapons export of \$1 billion is not much in a nation that exports \$50 billion a year, 2%." [Ref. 79:p. 23] According to the *SIPRI Yearbook 1992*, in 1990 Sweden had 1.0% of the worlds arm market, a drop from 1.4% in 1989, for a total value of 1.9\$ billion [Ref. 85:p. 363]. The arms industry is clearly significant to the overall economy:

...Sweden has maintained a broad arms industrial base employing around 33,000 people and representing 10% of the engineering industry. The weapon and defense electronic industries have depended on exports for around 50% of their sales, while aircraft and shipbuilding have been more dependent on sales to the Swedish armed forces. [Ref. 89:p. 147]

The Swedish drive for arms export markets is primarily driven by **overall domestic economic difficulties**.

Currently, senior military officers are very actively involved in promoting Swedish defense products abroad [Ref. 5] But the Minister of Foreign Trade, Anita Gradin, expects

a future overall decrease in Swedish arms exports [Ref. 89:p. 146].

## **2. The Export Scandals**

The 1980s were not good years in public relations for Swedish arms manufacturers. Writes Ambassador Rodney-Kennedy Minott, The ethnically sensitive Swedes received the most negative publicity concerning arms export scandals that have severely compromised Sweden's world position and self-image as a major advocate of arms control, pristine of character and pure of motivation in a fashion not truly applicable to other nations." [Ref. 12:p. 35] Bofors and FFV have been implicated in arms smuggling scandals dating to the 1960s. Fifty fast patrol boats were sold to Iran by Boghammers Marin during the ongoing Iran-Iraq war. A Bofors subsidiary, Nobel Industries, also provided Iran with surface to air missiles. Nobel Kemi has also been accused of selling ammunition to Iran and Syria. Britain has been a transient point for the export of Carl Gustav light anti-tank missiles. Italy and Yugoslavia were transshipment points for Nobel Kemi ammunition sales to the Middle East. Malmo was accused of smuggling explosives to Iran through a European transshipment network. [Ref. 96:p. 42] [Ref. 89:p. 148] Nobel built a chemical factory in Iran to ostensibly "...assist in eradicating an endemic grasshopper problem." [Ref. 89:p. 148] Writes Ron Mathews:

Though Sweden is the only European country not in the North Atlantic Treaty Organization (NATO) to accept the

MTCR guidelines to stop missile proliferation in the developing world. Bofors appears to have been involved in assisting Iraq, Argentina, and Egypt in the development of the Condor II ballistic missile project. Also, Bofors has been accused of selling hundreds of RBS-70 missiles to Bahrain, Dubai and Thailand via Singapore. [Ref. 96:p. 42]

In part, these sales result from ambiguous laws. In the spring of 1989, Sweden introduced legislation to close loopholes in its arms-exports controls [Ref. 96:p. 43].

### **3. Export Policy**

A "Citizens Commission" was authorized by the Government to investigate the continuing export scandals. Their report in May 1988 recommended significant regulatory revision and enforcement. Subsequent to their findings three major pieces of legislation were enacted on July 1, 1988. Under Swedish law war material can not be exported unless prior permission has been given by the Government, and, "The same restriction also applies to other activities related to arms exports such as the lease and transfer of rights of manufacture, co-production agreements and marketing of military equipment abroad." [Ref. 89:p. 149] Official policy statements stress that Sweden, "should continue to implement a restrictive export policy regarding the choice of recipient countries." [Ref. 89:p. 154] "Sweden faces the dilemma of wanting to keep arms exports to a minimum and yet needing to export to maintain the maximum possible degree of self sufficiency in arms production." [Ref. 89:p. 154]

#### **4. Direct Impact of EC Membership**

Swedish export policy will be directly affected by the EC regulatory regime as a consequence of full membership, however:

According to Article 223 of the Treaty of Rome, the EC should not become involved in national security policies but should deal with industry purely on industrial-economic terms. This article was not deleted from the Treaty in the December 1991 Maastricht EC meeting, despite the long debates on a possible revision of the Treaty. [Ref. 85:p. 369]

Though there has been some progress in forming a common EC policy on nuclear, chemical and biological transfers, Traditionally, it has not been possible to bring conventional arms exports under EC authority." [Ref. 97:p. 10]

Another eventual consequence of EC membership may be financial support for the Swedish arms industry. There is strong support in the European Parliament for such an EC support program but there is resistance in the EC Council and the current majority in the EC Commission [Ref. 85:p. 369]

#### **F. FUTURE ECONOMIC PROJECTION AND RESEARCH FOCUS**

Sweden's continuation of its historical reliance on **indigenous** research, development and production of key high technology weaponry for its defense, and the associated rising costs of this approach, is a significant demand on fiscal resources. The need to remain competitive in the global arms export market in order to support indigenous

production lines for the relatively very small needs of its own defense forces could pose significantly increasing difficulties. The coming decade is likely to see more fierce competition. Alice M. Rivlin's introduction to *The Swedish Economy*, a Brookings Institution publication, identifies the key macroeconomic vulnerability Sweden must overcome:

...an American is struck by how small the Swedish economy is compared with the economies of the United States or the larger economies of Western Europe. In 1985 Sweden's gross domestic product was 3% of U.S. GDP, 16 percent of Germany's....

Sweden is an open economy, highly dependent on foreign trade and vulnerable to outside shocks. In 1985 exports accounted for 32% of GDP....This dependence on foreign trade means that firms in Swedish export industries have to set their prices to stay competitive in world markets...the recent integration of its capital markets with those of the rest of the world has increased Swedish vulnerability to outside events. [Ref. 98:p. 3]

The National Defense Research Establishment (FOA) has focused research into certain technologies: ASW; electronic warfare; anti-tank weapons; air defense; and C3I. Future priorities will be to target acquisition for anti-shiping weapons, SAM improvements, fortification, stealth technique, precision guided munitions, robust command systems, sensors, communications security, data processing, Electronic Countermeasures (ECM), multistatic radar, high energy lasers, high power microwaves, man - machine relations and Anti Biological and Chemical (ABC) weapons protection [Ref. 79:p. 25].

Additionally, Sweden's Business and Technology Development Board has established Nutek as an interdisciplinary consortia to conduct research in new materials with a long term focus that may have dual uses. The group has close ties with domestic and international industry. A review by professors from the US and Europe was very favorable, commended the planning and conduct of the research and noted a particular strength in biomaterial research. Their are four major areas of focus: "thin films and microstructure, material with unique properties, theory and simulation, and surfaces and how they interact." [Ref. 99:p. 17] The consortia is largely integrated with international industry and is involved in EC research programs.

Sweden is also active in space research. The Swedish Space Corporation's third satellite, Freja, was launched by the Chinese *March 2* rocket booster in 1992. The Freja is built to study the aurora borealis, and includes participation from Germany, Canada and the US. [Ref. 100]

## VII. MODERNIZATION OF ARMED FORCES

### A. ARMY AND AIR FORCE MISSION CHANGES

Sweden's 1992-97 Defense Bill is a significant attempt to modernize their forces and a change in assigned tasks. Planning will **now** focus on tactical surprise. The traditional military force structure was designed to have the capability to provide a robust enough defense to deter a major invasion by an aggressor in conjunction with its war on the Central front by making such an attack unreasonably costly. Adequate time for mobilization of a 700,000 man reserve force was a planning assumption. The Defense Minister Bjorck has stated that a changed threat now requires mechanized land forces capable of mobilizing much quicker than under the previous planning assumption (10 days) [Ref. 101]. **The Swedish Army still has virtually no standing operational combat formations.** Rather it has a corps of professional officers and reserve officers that for decades have served a primarily training function. And numbers are going down dramatically. The current planning goal is to have 16 Army brigades by 1994 (down from 29 in 1987). The purchase of 200 Leopard II main battle tanks (MBTs) from Germany is part of the modernization effort, but at the expense in the number of regiments. The Social Democrats have proposed further reductions (down to 12 brigades). Special emphasis will be placed on developing night-combat capability, anti-tank and anti-aircraft



capability, personal protection of soldiers and speed and mobility. [Ref. 102] [Ref. 103]

States the Norwegian edition of the IISS *Military Balance in Northern Europe 1992-93*:

The parliamentary decision in 1992 ...implies considerable changes in the defense tasks...A strategic surprise attack remains the focus for defense planning. A major attack across the Baltic is primarily to be countered by denying the attacker getting a firm grip on the ground. In case of an overland attack in the North the momentum of the attack is to be broken by defense in depth....The increase in appropriations, in addition to reductions in the peacetime establishment, will make possible...considerable modernization of equipment....[Ref. 6. p. 23]

The great difficulty that must be redressed in the Army is that troop numbers did not fall in the 1960s and 1970s with the dramatic drop in defense appropriations. This has been partly due to significant political resistance to the reduction of the regimental training garrisons in the countryside from local residents who have an economic dependency on the existing structure. The Agrarian Centre Party has harnessed much of this political resistance from what is often referred to as the "military communes complex." [Ref. 12]

The Supreme Commander has indicated that the Army may be left with insufficient land forces under the current defense plan to defend all of Sweden, particularly in the North, which would necessitate an order of priority in defending specific key regions --- with obvious domestic and international (Norway) political undertones. This will

continue the thirty year trend of placing more of the defense burden on the Swedish Air Force, which is also decreasing in size while upgrading quality (from 29 squadrons to a projected 17-18 by 2005). Richard Bitzinger's RAND study, *Facing the Future: The Swedish Air Force, 1990-2005*, concludes that:

The SwAF (Swedish Air Force) will not be able to compensate fully for the decline in the other services....The risk is that Swedish defenses could become a hollow shell, that is, a strong projected defense with little behind it. In particular the armed forces could find it impossible to defend all parts of the country, while a perimeter defense strategy might have to be abandoned...Moreover, despite the apparent end of the Cold War and the subsequent increase in strategic warning, tactical warning time is actually decreasing....[Ref. 48:p. 51]

In the course of this defense "mission" debate, the Supreme Commander demanded his mission mandate be changed to require his forces be capable of defending Sweden against an aggressor only until "outside" forces could intervene. There is an apparent correlation here to the domestic policy debates of an "Atlantic Link" and "Nordic Block" within a European security structure --- all of which imply US assistance to Sweden in the event of an unlikely and unanticipated major Russian military assault. [Ref. 66]

Off the record discussions with military officers also indicated that the new security policy was being interpreted as fielding force structure with a defensive military capability allowing Sweden to remain **non-aligned in peace with the possibility of retaining the option of remaining**

neutral in the initial stages of a war in the Nordic region. But this is not an official policy view.

## **B. NAVY**

In the late 1950s Sweden began phasing out its fleet of frigates and destroyers, feeling they were too vulnerable to attack. It became the Air force's mission to defeat an invasion fleet with strike aircraft [Ref. 7:p. 329]. In the late 60s the Riksdag abolished Sweden's ASW capability. It was felt ASW was only useful to protect their own shipping in a World War II type of confrontation, which would be meant by diplomatic means. Though only minor budget outlays were allocated in the 1980s to redress readily apparent ASW deficiencies, "In reality, a much larger share of the budget is actually spent on ASW, and it is estimated 50 percent of the navy's current activities (1989) are actually devoted to ASW at the expense of other training missions." [Ref. 53:p. 199]

One explanation for Swedish difficulties in prosecuting intruding Soviet submarines is that their naval forces have been formed to counter a Soviet invasion not a peacetime threat. The navy's missile and torpedo boats were designed to remain survivable by hiding in the archipelago with their RBS-15s (70km range), and defend the coast with the support of 12 submarines and 30 coastal artillery battalions (which are being modernized). Additionally six Air Force squadrons of AJ 37 Viggen are dedicated for naval missions. Sweden's

surface fleet currently consists of 28 missile boats of late 1970s vintage and 6 corvettes (the last four will be operational in 1993) and seven modern minehunters. [Ref. 53:p. 202] [Ref. 104:p. 58]

Captain Lars Wedin of the Joint Defense Staff, expressed the great frustration Swedish Naval officers experienced with the submarine intrusions. Some of the not widely publicized difficulties include attempting to prosecute submarines and submersibles in very shallow water (20m) with depth charges jettisoned from 500 ton patrol craft, necessarily limiting "loiter time." What is needed is a small ASROC type weapon which can be launched from small patrol boats (under development). Submarine intrusions will likely remain a difficult problem though recent relaxation in their ROE may ease the burden. Now hostile contacts can be sunk without warning in **territorial** waters (previously allowed in **internal** waters only). **The Swedes have developed considerable local expertise in such operations that would be of great use in assisting any US Baltic ASW operations. They are also adept at mine warfare. Additionally, they produce naval weapons systems, including advanced mine detectors, that are optimized for Baltic conditions** (Recent difficulties in operating Italian torpedoes were attributed to its unsuitability for the local maritime environment). But it is also worth noting that the entire Swedish Navy,

including the coastal artillery, is roughly equivalent in personnel to one US carrier battle group. [Ref. 21]

### **C. COMMAND, CONTROL, COMMUNICATION AND INTELLIGENCE**

Though the post-Cold War environment with the resultant decline in the Russian military's infrastructure for waging a major attack has increased strategic warning time, technological advances have decreased tactical warning time.

This was stated by Prime Minister Bildt:

The primary basis for establishing the dimensions of our defense forces should no longer be broadly-based attacks on our country, with protracted preparations, and aiming to conquer our territory in stages. Instead, the focus should be on an attack with a heavy emphasis on the time factor, with more limited resources but of the highest quality, and with maximum utilization of military surprise. [Ref. 56:p. 4]

Sweden has an advanced signals intelligence (SIGINT) system run by the National Defense Radio Institute. They operate a SIGINT maritime platform, the *Orion*, and have cooperated in the past in strategic matters on a bilateral basis with Western intelligence organizations [Ref. 48:p. 22]. Additionally, they are actively involved in the Baltic states, along with the other Nordic countries, in establishing economic, political and security institutions. It can be conjectured that they have a very good human intelligence (HUMINT) capability in these states.

The Swedish Air Force holds the mission of initial front line response and operates the tactical early warning and defense system. Their Command, control, communication and intelligence (C3I) system is known as Stril 60. This system

includes underground and hardened as well as mobile systems. Most radar stations are in the East part of the country. Sector operations centers (SOCs) can directly coordinate maritime and air intercepts through a data link [Ref. 48:pp. 223-23]. Writes Bitzinger, "...the Sw AF is one of the best air forces in Europe, particularly in the area of air defense." [Ref. 48:p. 27]

### VIII. COOPERATION WITH US FORCES

The CNA December 1992 study, *Multinational Naval Cooperation Options with the North Atlantic Countries*, identifies three dimensions of US naval cooperation bearing on Sweden: bilateral, multilateral defense of Europe, and multilateral outside of Europe. The questions that need to be addressed from these dimensions are: (1) the identification of parallel interests and the utility of continued or expanded bilateral ties; (2) Sweden's reference for regional security organizations; (3) and a determination of what structures exist or can be improved for out of area crises response operations with Sweden [Ref. 27:p. 1]. This thesis has already identified where post-Cold War Swedish and US security interests coincide, and the most likely trend of this relationship. Swedish attitudes to regional security organizations have also been detailed. This section will focus on the potential for **direct military** cooperation with Sweden.

#### A. INTELLIGENCE SHARING

**Sweden has much to offer, in both strategic and tactical intelligence, for any US forces operating in the Baltic littoral region.** However, it needs to be stressed that intelligence cooperation with the US and NATO has been much publicized in the Swedish press. Political polarization of opinion on this issue could significantly affect the degree and form of intelligence cooperation in a potential regional

contingency. The most critical statements, imply that Sweden has been a stooge for NATO, providing the West with sophisticated intelligence on Soviet SAM systems (SA-10) that would assist in a US Navy sea launched cruise missile (SLCM) attack from the Norwegian Sea. The most damning charge was that such intelligence collection was of no value to Sweden, but undertaken by Sweden on the US's behalf as an exchange for such things as sophisticated US collection equipment and an implicit security guarantee. A well respected researcher and writer on this issue, Wilhelm Agrell, of the University of Lund, has expressed the view in his writings, that the real issue is not whether this intelligence cooperation with the West did or did not occur, but that it developed into an institutional arrangement that favored NATO security interests at the expense of Sweden's. Writes Agrell about his perception of past Swedish cooperation with the US and its damaging effect on Sweden's intelligence services and overall security:

The significant thing is the *distribution of work* which develops when a small country begins to specialize in something which gives hard currency in return, while at the same time it starts neglecting matters which are of vital importance to its own security.

And Sweden could have been subjected to all the dangers of alliance relations without enjoying the security guarantee. From this angle Swedish membership in NATO would have been a better solution than the double burden of non credible neutrality and a secret collaborative alliance. [Ref. 105:pp. 37-38]



## **B. REGIONAL CONTINGENCIES**

The Baltic region is clearly undergoing a major transition in its security relationships. Great economic and political stability will likely continue for the rest of the decade, particularly in Russia and the Baltic states. One US planning scenario printed in the US press in February 1992 attributed to the Defense Planning Group (DPG) described a NATO response to a Polish-Lithuanian-Russian crisis in which US carrier battle groups (CVBGs) were a key component to a NATO intervention. [Ref. 106:p. 47]

The geographic significance of Sweden and the military, intelligence and logistic assets Sweden could contribute to such a regional operation have already been detailed. In conversations with FOA analysts and military officers it was clear that a direct Swedish military contribution to such a contingency would not be compatible with current security policy. This policy is evolving but a conjecture of how Sweden might react to the described specific scenario, ten, even five years hence, is to great of an analytical leap to contribute much of use. The major factors which are shaping Sweden's evolving security policy; Russia's integration into the West, Sweden's integration into the EC, and the future of NATO --- remain unresolved. However, it is probably a sound axiom that direct Swedish military involvement, under any scenario, which would involve engagement with Russian forces in which Sweden is not first attacked by Russian

forces, is out of the question. When asked in an interview what Sweden's response would be if the Russians intervened militarily in the Baltics, Schori answered, "Strong diplomatic protest." [Ref. 13]

The possibility of a resurgent Sweden as a regional power in the Baltic, showing the flag, voiced by some military officers, has met with significant political opposition. It would be hard to imagine Sweden under any scenario having the military capability to compete with even a further incapacitated Russia, or even Germany. This does not mean Sweden's foreign policy would not support a forward US foreign policy in the region during a Baltic crisis. Sweden can be expected to remain in the forefront of providing diplomatic, institutional and economic support for the Baltic states, and can be counted on to provide significant "non-lethal" aid. They will not intervene militarily, except perhaps in limited tactical instances to deter criminality in the Baltic during a potential "refugee" crisis. The granting of overflights rights to US military aircraft would probably be granted during a Balkan crisis for missions of a purely humanitarian nature.

#### **1. Peacetime Regional Cooperation with the US**

For the first time Sweden participated in a US lead Baltic naval exercise in June 1993, BALTOPS 93. Traditionally, the NATO Baltic states, the Danes and Germans, have participated with US units. The Swedes made a

point of officially emphasizing that this was a non-NATO exercise. Other first time participants this year include all three Baltic states (Estonia and Latvia only observer status) and, very importantly, the Russians. Russian participation was tenuous, and there was last minute concern that their withdrawal might induce a Swedish one. Fortunately, this did not occur. This highlights a **continued** Swedish sensitivity to closer military cooperation with NATO countries and acute attention to the extra-regional East-West strategic relationship. This sensitivity will remain a **domestic political constraint** on the range of policies the Defense Ministry can implement, not necessarily dependent on an optimum strategy determination. The "non-traditional" participants (non-NATO) in BALTOPS-93 contributed to the first phase of the exercise which included basic seamanship, search and rescue (SAR) and communication drills, but abstained from the second phase which encompassed the traditional ASW, anti-air warfare (AAW) and mine counter measures (MCM) exercises. [Ref. 5] [Ref. 27:p. 6]

When directly asked if it was the Social Democrat (opposition) position that it would always be necessary for the Russians to be participants in any joint US/NATO - Swedish exercise, Schori responded in the affirmative. However he expressed no reservations what so ever about cooperating with the US in internationally sanctioned

intervention **outside the Nordic region** without the Russians. Referring to Bosnia specifically, he stated that the "Swedes would work with anyone." When asked about NATO he responded in the affirmative. Again, a key distinction is that these operations are outside of Sweden's strategic proximity.

[Ref. 13]

## **2. Out of Area Cooperation**

Prime Minister Bildt expressed the worth and utility of joint international involvement to further respect for international law and the value of the US contribution during the Gulf War. However, also expressed were the view that US capabilities to shoulder the dominant role in such a coalition will decrease: "In the long term...with the high probability of a decline in US military strength, the special potential of the United States for intervention in conflicts all over the world will probably diminish." [Ref. 56:p. 9] Any cooperation with the US in an out of area crisis will be within an international structure under current government policy. Clearly this policy would not be changed by a Social Democratic government. The UN and CSCE are presently the two viable organizations for such cooperation. Gary Geipel's CNA study contends that, "It is likely that both Finland and Sweden would respond more favorably to proposals for naval cooperation - particularly in a crisis situation - that came from other European (particularly EC) countries rather than from the United

States." [Ref. 27:p. 45] Due to Sweden's domestic political environment, Geipel is probably correct, it would certainly be politically less volatile.

#### **a. UN Peacekeeping**

Prime Minister Bildt includes the need for a UN peace-keeping capability in Sweden's defense planning, "...total defense should have the ability to participate in United Nations peace-keeping operations." [Ref. 56:p. 49] The Social Democrats have placed even greater emphasis on this mission as a component of security policy. Sweden has traditionally had a high participation in UN peace-keeping operations, expending 3% of its defense budget in the early 1980s on such UN efforts. Currently however, expenses for the Swedish battalion in the Nordic brigade now in Bosnia, are budgeted through the Foreign Ministry, not the Defense Ministry which has been able to resist such expenditure. The Swedish hospital unit in Somalia was similarly budgeted [Ref. 5]. Currently Sweden forces are also active in Peacekeeping and similar UN missions in Angola, Croatia, Cyprus, El Salvador, India / Pakistan, Iraq / Kuwait, Korea, Lebanon and Middle East (UNTSO) [Ref. 80:p. 85].

Three hundred US combat troops have deployed (July 1993) to Macedonia, joining a 700 man Scandinavian battalion, which includes a Swedish company. [Ref. 107:p. A-1]. The two most obvious operational questions of such a joint US-Swedish deployment where real tactical danger may

develop, are: (1) how does such a force integrate intelligence; and (2) incorporate external fire support, particularly close air support.

Both the Danes and the Norwegians are US NATO allies and have an operational structure to address these issues. The Swedes are not allies and have no such structure or operational experience in working with US forces. It can be speculated that US intelligence is passed to the Swedes through the Danes and Norwegians in an ad hoc matter. A formal approach to such ad hoc intelligence sharing with Sweden, or within coalitions in general, would be of future use. Within the context of joint naval operations, Rear Admiral Edward D. Sheaffer, Jr., Director of Naval Intelligence, has highlighted the significance of this issue and the constructive role exercises and military exchanges can play in overcoming this difficulty: "The coalition forces drawn into a regional conflict will come from all parts of the world, and maritime intelligence must support them as an integrated force." [Ref. 108:p. 16]

In discussions at FOA and the Joint Defense Staff there is an adamant weakness in Swedish training to utilize close-air-support (CAS) in such operations. The Swedish Airforce has not stressed the CAS role. There was some sentiment expressed in off the record interviews that the "lack of a ground attack" training was due to an early political decision intended to alleviate Soviet concerns of

a any tactical offensive threat from the Swedish Air Force. This was also attributed to be one reason the Gripen was designed with a comparatively limited range. Furthermore, until recently Swedish "peace-keeping" units were filled by volunteers who had already completed their mandatory conscript service. Competition has traditionally been very fierce and the men are handpicked by their battalion commander, useful blue collar skills are a premium (construction workers, electricians, etc.). A short two week refresher training is provided (all volunteers have already undergone their basic military training service). However, such units are deemed insufficient for the "peace-enforcement" role. The Danes have stood up an "elite" unit with real "combat" capability for UN/CSCE peace-enforcing missions. In 1993 Sweden also began establishing a much more substantial training program for such UN/CSCE missions. The Social Democrats have championed this mission, against the opposition of the government. [Ref. 16] [Ref. 21]

The Swedish Navy has further specific constraints on participation in out of area international peace-keeping or peace-enforcing missions. Its fleet has virtually no experience nor has it been designed for extensive deployments outside of the Baltic. They do not practice underway replenishment, for example. Additionally, Swedish officers no longer hold the Kings Commission and can not be ordered to service abroad nor can

conscripts (The Swedish Navy has no career petty officers,  
few conscripts). [Ref. 21]



## IX. CONCLUSIONS

The two overriding and inter-related developments that are shaping changes in Swedish security policy are the end of the Cold War and Sweden's integration into the EC. As the bipolar strategic regime fades Swedish security policy is integrating with larger European security questions, and therefore is likely to lose some of its distinctiveness. However, Sweden will retain distinctive characteristics in her approach to security questions.

Large segments of the Swedish population associate the traditional "neutrality" policy with their cultural identity. All the major parties feel the need to at least pay "lip service" to this traditional policy until Sweden is safely integrated into the EC. The elites in the Moderate lead Government as well as the Social Democratic opposition agree on the need for EC membership, but both fear a "no" vote on the EC referendum. It is in the interest of the major parties **not** to raise the security implications of EC membership into a political debate before the EC referendum.

The move away from neutrality while still prohibiting formal military alliances, allows for a looser interpretation of ad hoc military cooperation in the sense that **foreign policy** no longer has to heed the declaratory non-alignment criteria. What can dramatically change this trend towards greater cooperation with the West is the rise of a resurgent reactionary regime in Moscow. The key to

predicting how this would affect Sweden's security policy, and the move away from "neutrality," is **when** this occurred. The seizure of power by a reactionary government in Russia will probably accelerate Sweden's integration into Europe **if it occurred several years hence after the process of integration has been institutionalized.** If such a threat arose before the EC referendum, there would be very strong domestic political pressure to withdraw back into an isolationist policy.

When reading Swedish literature it is important to note that the term **"security policy"** is often used --- not to refer to traditional defense policy --- but to such things as refugees, crime and environmental degradation. If the Social Democrats return to power, the rhetoric of this difference in nuance in "security policy" will differ further than the current government, with the weight on the non-military, non-traditional aspects of security. But the danger or likelihood that a new Social Democratic lead government will significantly reverse course on the move away from neutrality is low. **The drive for formal change in Sweden's declaratory security policy is the need to facilitate Sweden's acceptance and subsequent integration into the EC. This will not change if the Social Democrats regain power.**

Recent Swedish emphasis on arms control and CSBMs, has a much different meaning than traditional "utopian" Swedish

arms control positions. CSBMs are seen by many in the defense community as a way to cooperate with the West through exchanges without creating an unwanted and possibly destructive domestic political backlash. Much of the significance to the Swedes of arms control measures, such as CBSMs, administered by international organizations such as the CSCE, the UN and Council of Europe, is that they provide a mechanism for the Swedish defence community to participate and demonstrate a useful contribution to European security **while still remaining outside of a formal alliance**. There is a timely need to demonstrate such a contribution while Sweden's EC integration is pending.

Concern for the environmental effects from the crumbling nuclear infrastructure of the former Soviet Union is viewed as a "security" threat. There is deep concern over the rise in "criminality" in the Baltic states and Russia, and the potential there for criminal "warlords" to obtain nuclear weapons amidst the chaos. Amongst most defense thinkers, the NWFZ is a dead issue.

Though the global military capabilities of Russia have declined precipitously, Russia is, and is likely to continue to be the preponderant military force in the region. There is a view in Sweden and Norway, known as the "**sausage theory**", which holds that the strategic significance of the Nordic region actually is increasing for the Russians as there military complexes on the Kola Peninsula, particularly

their SSBNs, shoulders relatively more of Russian strategic capabilities. A corollary of this theory is that as the Russian capability to project military power declines overall, they may be **more likely** to project it on the Northern Flank where they retain a favorable correlation of forces. Though this theory is belittled by many on the left, such as Pierre Schori, **long term** concern with Russian military capabilities will remain a **permanent** fixture of Swedish security policy. **In all scenarios the strategic and environmental nuclear threats on the Kola Peninsula will remain.**

Fostering economic and political stability in the former Soviet Union, particularly in the Baltic states, is a "security" objective. Defense Minister Bjorck, however, has made a note of emphasizing, that Sweden can not assume the responsibility for the military security of the Baltic states and does not wish to engender false hope. Radar, communication and other "non-lethal" equipment is being provided, but not heavy armaments. The Baltic security **threat** is perceived in terms of the already developing massive influx of refugees, viewed as a crisis, particularly in lieu of a Sweden's very high unemployment rate.

With the gradual drawback in US naval exercises and operations in the North Atlantic and Norwegian Sea there is Swedish concern that a power vacuum may develop in the North. A traditional tenet of Swedish strategic thinking

has been the need for a balance along the Northern or "Atlantic" axis. It will remain in Sweden's national interest for the US to retain a viable strategic presence in the North Atlantic. An aspect of this perception can be seen in the "Nordic Bloc" component of a "common European security system" proposed by the Supreme Commander Bengt Gustafsson. The current objective of a "Nordic bloc" is to retain the Atlantic (US) link within a united Europe. A "European Pillar" to NATO is not viewed by many, particularly in the military, as sufficient to counter the long term potential threat remaining on the Kola Peninsula. The WEU is not viewed as a viable alternative to NATO. The CSCE is probably the most likely forum, outside of UN humanitarian and peacekeeping operations, for Sweden to become actively engaged in **military** cooperation with the West. Questions on future collective security arrangements will remain secondary agenda items until the population approves the referendum on EC membership.

The current impetus for increase in the defense budget has been the long delayed need to modernize, particularly the Army --- not strategic change. The second "driver" for reversing decades of relative defense reductions is the technological revolution in warfighting and the new equipment it requires. Swedish policy makers have clearly reiterated that domestic production of arms remains a pillar of their strategy. Paradoxically, as American and Swedish

relations have improved, the likelihood of Sweden's reliance on American systems, in the long term, appears to have diminished and closer cooperation with European industry more likely. In the short term, the end of the Cold War will allow Sweden to cooperate more closely with joint international defense projects. It is no longer a Swedish diplomatic goal to maintain the appearance of a neutral foreign policy. Therefore defense industry planning has more freedom to maximize economic interests.

The major current project for Swedish defense industries as a whole is the JAS 39 Gripen. The Gripen has been plagued by cost overruns, but the first Gripen was delivered to the Swedish Air Force in June 1993. In addition to its core aerospace industry, Sweden is also a technological leader in diesel submarine technology and shallow water ASW, mine warfare and adept in building small tonnage surface combatants.

Sweden's 1992-97 Defense Bill is a significant attempt to modernize their forces and a change in assigned tasks. Planning will **now** focus on tactical surprise. A changed threat now requires mechanized land forces capable of mobilizing much more quickly. Discussions with military officers also indicated that the new security policy was being unofficially interpreted by some as a force structure with a defensive military capability only sufficient for allowing Sweden to remain **non-aligned in peace with the**

**possibility of retaining the option of remaining neutral in the initial stages of a war.**

Sweden has much to offer, in both strategic and tactical intelligence, for any US forces operating in the Baltic littoral region. However, political polarization of opinion on this issue could significantly affect the degree and form of intelligence cooperation in a potential regional contingency. Direct Swedish military contribution to such a Baltic contingency would not be compatible with current security policy. It is probably a sound axiom that **direct Swedish military involvement, under any scenario, which would involve engagement with Russian forces in which Sweden is not first attacked by Russian forces, is out of the question.**

For the first time Sweden participated in a US lead Baltic naval exercise in June 1993, BALTOPS 93. But there is a **continued** Swedish sensitivity to closer military cooperation with NATO countries, **particularly in the Nordic region.** Any cooperation with the US in an out of area crisis will be within an international structure under current government policy. This policy would not likely be changed by a Social Democratic government. The UN and CSCE are presently the two viable organizations for such cooperation. The Swedish Navy has further specific constraints on participation in out of area international peace-keeping or peace-enforcing missions in that its fleet

has virtually no experience nor has it been designed for extensive deployments outside of the Baltic.

Sweden is not being driven into 'Europe' by the changed strategic environment and the regional stability following the Soviet collapse. Rather, it is more accurate to characterize Sweden's policy shift as one primarily motivated by economic necessity, enabled by the Soviet collapse. Sweden is no longer "neutral" but will retain many of the distinctive characteristics associated with its traditional policy and Nordic identity. Membership in NATO is not a near term reality. Membership in the WEU offers few benefits. Joint operations with NATO forces, particularly in conjunction with regional exercises and UN or CSCE missions, will be more frequent. Limited Nordic defense cooperation is progressing but will not proceed to a degree which could interfere with Sweden's EC membership.

In the long term Sweden's membership in the EC will facilitate greater integration with the European defense industry and security structures. This European integration portends greater cooperation within Europe than bilateral links across the Atlantic. Such a development will impact overall Swedish-US relations, which will become, part of the larger US-European question. In this "European" context, for strategic reasons, Sweden is likely to be amongst the group **within** the EC most favorable to continued US engagement on the continent. This pro-US attitude will best



serve Sweden's long term interests and will likely remain constant with changes in government.

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